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The Financial Post

Heads Royal Bank

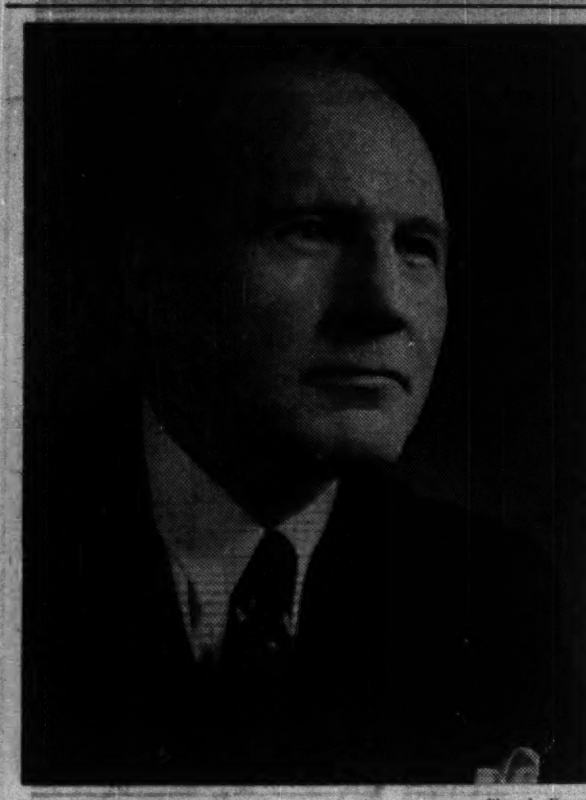

Photo by Karsh

James Muir, whose banking experience has included Scotland, England, U. S. and many parts of Canada, this week was elected President of the Royal Bank of Canada. Scottish-born, he has been with the Royal Bank 38 years.

THE NATION'S BUSINESS

Let's Build Unity Not Sectionalism

Lawyers can doubtless give themselves a lot of worry—or entertainment—arguing the pros and cons, the hows and wherefores, of constitution changing.

But laymen, concerned with the continuing growth of our country in stature and in responsibility, will be pretty well agreed that the legislation now going through the Commons should achieve these objectives:

First: it is high time Canada assumed the full stature—and responsibilities—of complete sovereignty. Sending civil cases to Britain's Privy Council is quite inconsistent with our status. It is imposition on the British courts. It is a diminution of justice because the very substantial cost of these appeals gives advantage to the man with the long purse.

Is there reason to believe that the British Privy Council is going to give a more competent interpretation of the law and a fairer judgment on Canadian matters? We shouldn't think so, but if so, the remedy is in our own hands: strengthening our senior judiciary. Certainly our country has capable men.

Second objective of present policy must be to make our Supreme Court truly supreme. Only in that way will there be any hope of it rising to its full responsibilities, or of inducing men of requisite stature to find invitations to that bench attractive.

That and other considerations made the plea for the principle of "stare decisis" look like very doubtful wisdom. In this immediate issue the plea was that, regardless of the fact that the Supreme Court was to be made truly supreme, it would continue to be bound by past decisions of the Privy Council—hence that our Supreme Court would not be supreme.

That is just dodging or postponing the declaration of Canada's full nationhood.

Obviously no responsible group of Supreme Court benchers will ignore Privy Council decisions. But the claim that our Supreme Court must always follow decisions made in London seems to promise both confusion and peril.

A third objective most laymen will set up for present constitutional adjustments will be that they foster national unity.

In the past 50 years and particularly in the past 10 years (a very brief span in the life of a nation) our country has made fabulous progress. Mentally and spiritually too few have yet comprehended the immensity of our progress. Too few of us have adjusted our thinking to the new order of magnitude by which things Canadian must now be measured.

Some there are who want every constitutional change approved by all the provinces. But what a tangle that would involve! We would be postponing things that must be done. Almost inevitably we would get into a degrading welter of special deals and concessions to sectional interests. We would be adopting a principle never before accepted in our national history.

It is as Canadians (not Manitobans or Quebeckers) that we travel abroad. It is as Canadians that we should handle major issues in our national affairs. In the present issue nothing in the field of provincial jurisdiction is being touched. Full protection for individual and sectional interests has been pledged.

So let's put more and more emphasis on Canadianism and less on regionalism. The former will do us much good; in the latter lies only weakness and danger.

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This Job Should Be Shared

When war broke out in 1939 it did not take the United States long to realize that the production of armament as well as the actual fighting would have to be a joint operation with its allies. Almost a year before the American forces were actually involved, came the famous Hyde Park agreement. Under this, Canadian industry and U. S. industry worked together as full partners in the production of weapons and military supplies for mutual use.

That was an eminently sensible arrangement in the hot war of 1939-45. It would be an eminently sensible arrangement in the cold war the partners in the Atlantic Pact are waging today.

Speaking at Troy, N.Y. last week, Canada's Prime Minister put the situation clearly and bluntly. Said Mr. St. Laurent:

"Canada cannot afford to manufacture all the many and complicated and costly items of arms and equipment for modern military forces.

"Many of these things we must obtain from your manufacturers. But, in order to pay for them, we must be in a position to provide you with certain items for your forces which we can produce efficiently in Canada. That is how we co-operated, under the Hyde Park arrangement, during the war and both countries benefited."

Blocking the joint production for defensive purposes today is an obsolete U. S. regulation, the Buy-America Act. It was passed during that misguided and tragic era when isolationism and narrow nationalism dominated U. S. opinion. This act practically prohibits U. S. military forces from purchasing any requirements from non-U. S. sources. It means that the U. S. Government, which buys more military equipment than all its allies put together, can purchase only from its own nationals, but can sell anywhere.

In ordinary trade a similar one-way policy brought the whole world to the brink of ruin in 1930.

Even if the American taxpayer and American industry were willing and able to arm the whole of the democratic world there are two grave weaknesses in such a plan. The job would take far too long and it would leave the other partners industrially weak.

The only sensible arrangement is a real partnership among the members of the Atlantic Pact. There must be full co-operation in furnishing the military forces. There must also be full co-operation in supplying the weapons to those forces.

Ontario Mines Seek Free Gold Market

Urge Bullion Trading be Allowed in Canada – Would Have 27-oz., $1,000 Units as Basis for Investment and Storing Purposes

OTTAWA (Staff) — Representations have been made by the gold mining industry with a view to establishing a bullion market in Canada.

At present, gold is handled by the Royal Mint only in international balance-of-payments units of approximately 400 ounces — about $15,000 a bar.

What the industry wants is the opportunity to buy gold in say, $1,000 units — about 27 ounces at present prices.

If these were available it is believed that there would be a considerable demand among individuals and perhaps corporations for investment and storing purposes.

Basis of these representations is the little-known fact that there is no law in Canada which prevents private transactions within the country in gold.

The Federal Government prohibits anyone but itself from exporting gold. But what has apparently been realized by the industry only within the past few weeks is that there is nothing to prevent individuals trading in bullion within the confines of the Dominion.

Perfectly Legal

Individual provinces like Ontario have laws which make illegal the possession of raw or unwrought metal. These are to prevent high-grading. But if gold were available in bullion form and in reasonable units, it would be perfectly legal and easy to trade in these within Canada.

(In the United States the reverse is true. There is no ban in the U. S. on merchandising of gold dust, etc. But individuals cannot trade in gold bullion.)

What obviously interests the gold-mining industry in Canada is the possibility of selling a part of their output at a price something above the present $38.50 U. S. market.

Suppose handling charges at the Mint were $1 an ounce, then it's thought that it might be possible to establish a market for bullion at say, $42 or $44 an ounce if the gold were available in convenient "units."

Various suggestions are put forward as to why people in Canada might be interested in such a proposition. The basic one is probably the idea that it would be profitable to hoard gold, because sooner or later the world price — or its price in terms of U. S. dollars is likely to rise.

Many people in Canada hold tenaciously to the view that the proper price for gold in today's circumstances is about $50.

(One big Canadian company, McIntyre Mines, started "hoarding" gold in 1947. It is known to have put aside approximately

(Continued on page 3, col. 2)

U. K. Talks Will Decide Buying Plans in Canada

OTTAWA (Staff) — Final discussions on Britain's 1949-50 buying program in Canada are to be held in London next week. Two Canadian deputy ministers, M. W. Mackenzie of Trade and Commerce and Gordon Taggart of Agriculture will attend.

First question to be settled is the over-all amount of Britain's spending in Canada during the 12 month period which started last July. The British had allocated some $600 million (U. S.) to be spent in Canada during that period. This was before Canada devalued her dollar.

Now under discussion is whether the windfall of the extra $50 or $60 million will be available to Canada now that Britain's U. S. dollars go further in Canada.

The extra margin of $50 or $60 million is very important because in this margin lies the chief hope for bacon, eggs and cheese contracts for 1950.

Britain is aiming to tie her Canadian purchases very closely to her prospective sales in this market during the next six to 12 months.

It is contended in London that our estimates of Canadian purchases are too high. If these purchases were to reach a figure of $400 million annually then Canada hopes to be able to insist that British purchases in this country will be at the $650 million level. The balance would be found through proceeds of the Canadian loan and ECA offshore funds.

In the first eight months of 1949, Canadian imports from U. K. totaled $219 million. This is at the rate of almost $27.5 million monthly; or $330 million a year. The stimulus of devaluation is expected to boost this. As well, the British have for some time been gradually moving up their sales of basic items like coal, machinery, etc. These are long term programs which represent in total very considerable dollar amounts once the British can expand available export surplus and can profitably divert that surplus into dollar markets like Canada.

Once the over-all total of Britain's dollar purchases in Canada is settled, then precise details of her spending on marginal items like bacon and eggs will be determined. It is hoped that this information will be available not later than mid-November.

Next week's discussions will be the finale of "official" talks. If not satisfactory to either side, the results may still have to be argued at Cabinet level.

One very vital part of the talks to Canada is the amount of U. K. spending for timber. There are presently no U. K. timber contracts on the West Coast. In the Maritimes, the present contracts end this year. Unless there is very prompt negotiation, the winter woods operations will be seriously curtailed on both coasts.

PRICES

The Canadian housewife is going to find that ingredients for the Christmas cakes and puddings she will be baking soon will cost about the same as last year, but they will be easier to get.

Nuts of all kinds will be available—from the Mediterranean, California, Georgia, South America and India. No shortages are anticipated in any variety. Prices are reported to be reasonable as compared with a year ago. The Mediterranean still insists on payment in American dollars so currency devaluation has little significance.

Raisins for the Christmas trade will come mostly from Australia; expected here before the end of November. All had been paid for prior to devaluation, so prices will be approximately same as last year, possibly a shade lower. There are still ample supplies of California raisins bought before devaluation so higher price will not be effective until next year. It is estimated that eventually Australian raisins will be laid down here at about 3c lb. less than the California product. Fancy eating raisins will probably be in scant supply and fairly costly.

Currants also from Australia and California, are subject to same influences as raisins. Supply will be adequate and price practically unchanged from last year.

Citron peel, mixed fruit peel, glace cherries, candied fruits will all be in ample supply with prices about the same as a year ago.

Dates from Iraq and Iran may be a little cheaper than last year when they arrive but shipments are not here yet. Plentiful supply expected.

Figs are expected to be difficult to obtain due to stringent regulations laid down by the Canadian Government. Supplies from Turkey may not measure up to standards set. May get a few from California but they will be more expensive.

Mincemeat supplies will be ample at prices approximately the same as last year.

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Heavy demand for copper contrasted with lack of interest in

(Continued on page 3, col. 4)

Big Program Brightens Dosco Outlook

By PAUL DEACON

MONTREAL (Staff)—With an additional 70,000 tons of steel capacity now available and various modernization and expansion programs recently completed, the outlook for Dominion Steel and Coal Corp. is regarded as bright, a company official informs The Post.

Effect of devaluation cannot be fully gauged as yet. However, earnings so far this year are understood to be satisfactory.

The extra 70,000 tons capacity at the Sydney, N.S. plant involving an expenditure of $2.5 millions, meant enlarging and modernization of open hearth furnaces and other facilities. The company brought additional capacity into production under arrangement with the Federal Government. The extra 70,000 tons of steel together with 50,000 tons from previous capacity, has been disposed of for a two-year period. Capital cost of expansion was financed out of company's own resources.

Coal Mechanization

After ironing out a lot of the bugs and making extensive tests, the company's subsidiary, Dominion Coal Co., began regular operation this week of its new mechanical mining machine and loader. This new machine performed satisfactorily in tests and it is expected to be an important factor in keeping company's coal output competitive in the future.

The company also recently brought into use 53 new coke ovens which are expected to increase the efficiency and effect economies in pig iron production at Sydney.

One of the factors in the brighter outlook for Dosco has been the increase in its converting facilities resulting in a more balanced position between steel making and converting facilities. Also Dosco has just completed a program of rehabilitation, modernization and expansion at Canadian Tube & Steel Products Ltd., a wholly

(Continued on page 2, col. 5)

Parliamentary Grant For New Trade Board?

OTTAWA, (Staff) — It is expected that the Government will recommend a Parliamentary grant to support the work of the new dollar-sterling trade board headed by James S. Duncan. The Government will also provide office space and will loan as permanent secretary, A. G. S. (Tony) Griffin of External Affairs Office headquarters of the board is to be in the Royal Bank Chambers, Ottawa. Some funds will be solicited from private business.

Present membership of the board includes H. R. MacMillan, Vancouver; Wilfrid Gagnon, N. R. Crump, Raymond Dupuis of Montreal; J. B. Ward and H. H. Hannam, Ottawa; Dr. W. A. Mackintosh, Queen's University; A. T. O'Leary, Halifax; Walter Gordon, C. A. Massey, John David Eaton and Byrne Hope Sanders, Toronto. Additional membership is to be added from heavy industry and possibly from the west to represent the Canadian grain trade.

It is expected that the board will work along three particular lines:

1. Acting on information and enquiries from its U. K. counterpart (the dollar exports board headed by Sir Graham Cunningham).

2. Examination of Canadian trade statistics to see where present U. K. sales in Canada are falling behind prewar.

3. Appointment of working committees in individual import fields.

A new statistical trade bulletin showing present and prewar imports from Britain and United States is to be published here this week. This has been prepared by the DBS for use by the board.

Membership in working committees will be selected by board members.

It is reported that there has not been very good progress as yet in setting up the U. S. counterpart of this organization. Mr. Duncan says his board will include problems from sterling area countries as well as the U. K. He is hopeful that similar boards may eventually be set up in other parts of the Commonwealth.

"The Canadian board is to be voluntary. Its aim is to advise on such problems as advertising, market research, packaging, styling, price levels, delivery problems. It will act in a purely consultant capacity.

The British counterpart is completely financed by industry although it will have close liaison with the government and hopes to have some services rendered by it. The Board has been formed into a company limited by guarantee and is representative of industry, commerce, finance and organized labor.

In a statement announcing the U. K. board, Sir Graham Cunningham declared: "The need for U. K. exports into the dollar countries is so imperative that this is not merely a question of patriotism; it is a matter of self-preservation."

The creation of the British board follows the work carried out by the preliminary committee under the chairmanship of Sir Clive Baillieu. No plan of operation has been worked out but it is assumed it will make recommendations about the allocation of raw materials to manufacturers exporting to dollar markets.

Court Test of Rent Controls Opens in Ontario on Nov. 7

Owners and tenants of rental housing all over Canada will feel stirrings in the region of the purse on Monday, Nov. 7.

On that day, in Toronto's city hall, Ontario Supreme Court will hear the long-heralded rent control test case of the Canadian Federation of Property Owners' Association vs the Attorney-General of Canada. It's the first attack by organized property owners to have Ottawa's 7-year-old rent control thrown out the window as being beyond the legislative powers of the Dominion Government.

If the Ontario court rules against control, Ottawa is expected to ask the Supreme Court of Canada to reverse that finding. Meanwhile, according to Ottawa reports this week, federal authorities probably wouldn't push charges against persons who violated the legislation until after a decision from the higher court.

But, it's pointed out by legal and property experts interviewed

(Continued on page 3, col. 1)

$3 an Hour for Unskilled Girl

That's What Union Fights For in C.G.E.

Is a girl worth $3 an hour on an unskilled job which takes only six weeks to learn?

If 3,000 employees of Canadian General Electric in Peterboro, Ont., have their way on an arbitration finding, that is what it will mean.

Last week-end they underscored their determination by staging a 1½-day wildcat strike. How many knew they were striking over an issue that involved just 11 girls is not known. Or that if they won, the girls would be earning almost twice as much as toolmakers, the highest paid skilled tradesmen in the plant.

But the fact remains that the big GE plant was tied up for a day and a half. Employees lost close to $50,000 in wages; the company an unknown amount of production.

Such wildcat stoppages are the sort of demonstrations of strength the Communists like to stage. And the union involved in this is part of the Communist-line CIO Electrical Workers. But the Reds weren't behind this. The Peterboro local, led by anti-Communist John Morton, has fought the union's national Red leadership all down the line.

What was behind this strike then? The roots go back 12 months when production changes were made in jobs in the motor winding department. Under the terms of their contract, when this occurs, management has the right to change wage rates accordingly.

In this case, they were adjusted to give the girls a basic rate of 92c an hour without exerting themselves. Evidence that the pricing was fair is clear: the girls, with bonus, have been earning from $1.13-$1.59 an hour.

The union charged rates were cut, took the matter to arbitration. Judge Cochrane of Brampton, while noting that management had the right to adjust rates, ruled that the old prices should be restored.

On the surface, it looked as if the union had an air-tight case. The company did not implement the findings of an arbitration board. A principle was involved. Arbitration findings are binding on both sides. The company was not abiding by it.

No one, least of all the company, is quarreling over this principle. But when there seems to be some contradiction in a finding or if it is contrary to a collective bargaining agreement, most managements and unions sit down and manage to thrash it out amicably, and on a realistic basis.

Management's View

CGE management argues there is a contradiction in Judge Cochrane's finding. All along they have pointed out the anomalies to the union; at the old rates and with the same effort, the 11 girls would be able to earn as much as 85% more than toolmakers; when jobs are changed, the contract lets rates be changed too.

Clearly, the management stand wasn't based on the money involved. Even if they had to double the girls' wages, only 11 were involved. What had management concerned was: what would it do to the whole wage structure?

What would toolmakers getting $1.60 an hour say if unskilled girls could get $3? One official admitted it would bring the roof down on management's head.

Matters came to a head last Friday when the union insisted on acceptance of Judge Cochrane's finding — regardless.

(Continued on page 3, col. 3)

Mild Thaw in Jobs Foreseen In Winter

Logging May Lead Retreat From High War, Postwar Peak – Job Insurance Claims Rising But No Serious Unemployment Foreseen

By KENNETH R. WILSON

OTTAWA (Staff) — Even without the impact of United States strikes in steel, coal and aluminum, it now looks as if Canada is likely to have a reduced working force this winter.

As conditions retreat from the abnormal of war and postwar, there will be some reduction in various industries. Logging will be one.

The pattern of that unemployment will be spotty. It will be noticeable mostly in great industries like logging where unemployment may well reach 100,000.

Over-all, and barring a major breakdown in the U.S. because of strike troubles, the Canadian economy will still end the year with plus signs.

That means we're in the position where there are going to be sharply divergent trends within a generally prosperous framework.

For example, it's still believed that Canada's national output for 1949 will reach $16 billion. That's a 4% gain by value over 1948. Even in terms of real output (after allowance for price changes) it is thought that the volume output of all goods and services for 1949 will exceed that of last year by 2% or 3%.

Sharp Fluctuation

But within this encouraging over-all statistic, Canada is now moving into the place where there will be sharp fluctuations up and down. Already, there's advance warning of this in many of the reports now coming in to Ottawa from mid-year and early autumn activity.

For instance, unemployment insurance figures issued recently for August show that initial and renewal claims filed at local offices in Canada totaled 50,291. (See detailed list.) That's just 100% more than the same figure in August, 1948.

Active claims registered at Aug. 31, were 83% greater than at the end of that month last year.

As between sexes it is interesting that the number of men receiving benefits Aug. 31, was 57,300 — an increase of 104% over the 28,100 at the same time last year. Number of women was only 45% higher at 2[illegible],500.

Logging Hit Hard

By December, it's estimated that many parts of Canada will be feeling the impact of a sharp reduction in logging operations this winter. The cutback is due to falling off in export demand for timber and pulp. It will reach its peak in January and February.

What's important about the impact of this decline is that this will be felt most heavily in key cities such as Vancouver, Ottawa, Saint John, etc. There'll be a sharp upturn in unemployment insurance claims in a score of metropolitan centres that won't in any way reflect a corresponding change in industrial activity

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Inside News

Big Bill For Sickness

Every day, on the average, one in 25 Canadians falls ill. And that costs industry, at a conservative estimate, $600 millions a year. What's your business doing to cut down on this economic waste? How's the health program in your plant and where do your executives, as well as the workers, fit in? (p. 17).

Struggle For Power in UK

Did Aneurin Bevan force the issue with the rest of the Cabinet on the U. K. election date? Or was it Churchill's speech to the Conservative conference? London Calling (p. 32).

Advice to Donald Gordon

When Donald Gordon takes over as chairman of the Canadian National Railways January 1, he'll get plenty of advice on how to run it. The Question (p. 15).

Devaluation and US Stocks

How will devaluation affect Canadian interest in the U. S. stock markets? The manager of the Compton account gives his views. Managed Investment (p. 5).

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Ottawa Policy On Financing

OTTAWA (Staff) — Government policy on new public financing and further tax relief for equity shareholders were two important matters to be dealt with in this week's budget speech.

Until very recently, the Government has held off a decision as to whether it would float a large domestic public issue this fall. There is no question that it can arrange its financing elsewhere this fall, and wait until spring to float such an issue.

The main question is whether the Government could get a more attractive rate and better reception now than it could next year. Against floating a public issue this fall is the possible effect on Canada Savings Bonds which went on sale this week.

In regard to tax policy, it was thought here the Government would heed representations to broaden the base of its tax relief on equity dividends. Since this new policy was first announced in the budget speech last spring, representations made on behalf of three groups: holders of class "A" shares; preferred shareholders, investment trust shares. It was thought likely that some further amendment to the original proposal would be announced.

Pace of Business

Department store sales in week ended Oct. 8 were 6% above a year ago. Advances shown for all provinces except Quebec which was unchanged.

Carloadings in week ended Oct. 8 totaled 89,088 cars compared with 89,614 in previous week and 91,293 a year ago.

Government revenues in September were 12.8% below a year ago at $174 millions compared with $199.6 millions. April-Sept. total was 5.6% lower at $1,241 millions ($1,314). **Expenditures,** on the other hand, showed increase of 8.3% at $189.4 millions in September against $174.9 millions last year. Cumulative total was up 13.7% at $961 millions ($845).

Imports in August totaled $212.1 millions, 2.7% above $206.5 millions in Aug. 1948. Eight months total up 8.5% at $1,852.4 millions ($1,707.7). Imports from U. K. and Europe rose 6.1% in September to $26.2 millions from $24.7 millions a year ago and 5.7% from U. S. at $143.8 millions against $136.1 millions.

Favorable trade balance of $41.9 millions was shown for August compared with $20 millions last year; $83.7 millions for January-August against $197.2 millions in 1948. Unfavorable balance with U. S. rose to $26.2 millions in August from $20.3 millions a year ago; favorable balance with U. K. was $37.1 millions against $27.9 millions.

Construction contracts awarded in September totaled $103.3 millions, a jump of 29.6% from $79.7 millions a year ago, reversing the slight downtrend established in August. Nine months total up 9.1% at $812.0 millions ($744.2).

Dividend payment index (1935-39=100) as reported by Nesbitt, Thomson & Co. rose slightly to 215.2 for October from 213.2 for September and was 5.3% above 204.3 last year.

Money supply higher in August: $4,188 millions, up slightly from $4,173 in July and 3.5% from $4,048 millions in Aug. 1948.

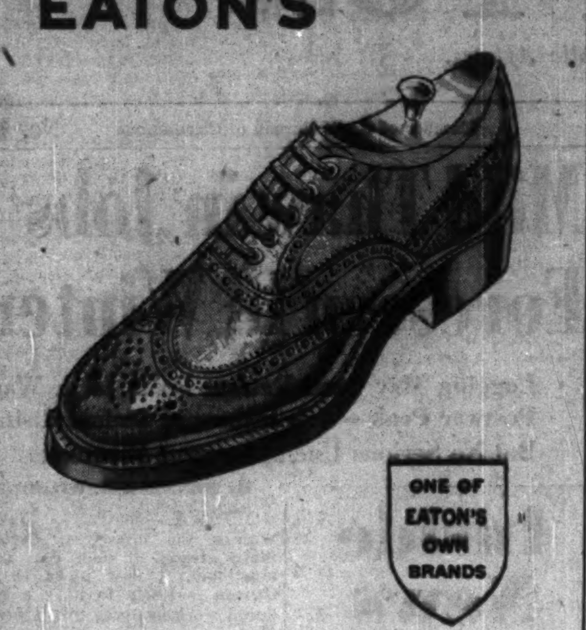
Cement production in August: 1,482,400 bbls, up 10% from 1,348,800 bbls. in Aug. 1948. Eight months total up 16% at 10,532,900 bbls. (9,059,800).

Electric power output in August amounted to 3,798.5 million kwh. compared with 3,429.9 million in July and 3,686.9 in Aug. last year. Primary power consumption advanced to 3,533.6 million kwh. in Aug. from 3,408.3 a year ago.

New motor vehicle sales in August totaled 17,964 vehicles at retail value of $36,024,083 compared with 13,676 at $27,616,430 last year.

Motor vehicle financing advanced 62% in number and value in August from last year at 20,297 for $18,530,606 compared with 12,515 for $11,407,351.

EATON'S



Eaton Oxfords

Fine Leathers, Style, and Comfort!

Designed and constructed by master craftsmen of the shoe industry . . . using fine calf or Scotch heather-grained leathers . . . solid leather throughout . . . all combining to give you one of the best possible dollar for dollar shoe values. Walking, dress or leisure shoe styles in the selection, with single, double, or triple soles.

EATON'S

Trade Unions Feeling Pinch?

CCL in the Red on 1949 Revenue of Over $370,000

How are unions standing the gaff financially?

The way John L. Lewis was proposing last week to aid the United States steel strikers (to the tune of $2.5 millions a week), it would seem U. S. labor had a pipeline into Fort Knox.

But some union financial statements told a far different story, notably the Canadian Congress of Labor. From an operating surplus of $12,000 in 1948, the CCL went $18,000 into the red in 1949.

On top of that, the CCL borrowed $40,000 from the bank but this was secured by $50,000 worth of Dominion of Canada Bonds.

The CCL financial situation is a long way from being desperate, but some individual affiliated unions are reported to be in serious plight.

On the other hand, the Trades and Labor Congress of Canada had an operating surplus of about $10,000. But this was only part of the story of comparison. While the CCL had a surplus of assets of $52,000 over liabilities, the TLC had $169,000.

Steel Union's Position

Against the CCL's position, other unions appeared to be almost as flush as John L. Lewis's gesture indicated. The International treasury of the striking Steel Union showed assets of $8.7 millions, an increase of nearly $2 millions over last year.

In Canada, the picture seemed almost as rosy. During the first six months ended June 30, Steel collected $554,479 in dues payments. Of this $273,373 was retained by the locals, the balance banked on behalf of the International.

Cost of organization and administration in Canada alone in this period, gives some idea of the extent and scope of Steel's operations: $189,544 for six months.

Another sign of Steel's affluence is their new headquarters on Toronto's Spadina Rd. They bought a fine old house, ripped the insides out and converted it it into an office that borders on the luxurious.

The CCL did the same to house its Ontario Regional staff and other unions on Toronto's Bond St. However, the building is now up for sale, perhaps indicating the hard times the CCL is experiencing.

But the CCL makes no attempt to hide anything. Its financial statement gives a complete and detailed picture of where its cash came from and where it went. It gives salaries and expenses down to the last cent.

On the revenue side, it lists every payment made by every affiliated unit, first by International unions, national and then local or federally chartered unions, these by regions. Here's a summary:

International	$78,365.97
National	13,012.95
Local	173,743.32

With annual fees from labor councils and provincial federations and organizing receipts, total revenue amounted to $370,822.65.

Where The Money Goes

On the other side, total expenditures came to $388,997.69, an operating deficit of $18,175.04. This side of the ledger is even more detailed than the other.

It lists:

Secretary-treasurer Pat Conroy with a salary of $6,000 plus $4,823.35 for expenses.

Executive secretary Norman Dowd—$3,347.04; expenses, $1,661.97.

Vice-president Alex McAuslane—$2,008.30; expenses, $3,042.50.

Total head office expenses: $67,128.64.

Administrative expenses: $40,262.76.

Education: $7,157.16.

Political Action: $4,897.

Research: $15,349.11 (including salary of $4,741.76 for Director Eugene Forsey and four aides).

Public Relations: $11,555.68 (salary of $3,975 and expenses of $4,650.34 for Director Jack Williams).

Under general organizing expenses, money spent in each regional district is given, complete with salaries and expenses for every organizer and every staff member.

Biggest budget was Ontario with $53,684.29 covering 11 organizers on full and part time. Significantly, Saskatchewan although not a highly industrialized province, came next with $43,205.36.

Total organizing expenses, $201,736.97.

Total assets, $103,282.

Liabilities, $50,908.40.

The TLC Picture

Against this clear and detailed statement, the rival TLC's financial accounting left much to be desired. It was just as detailed as the CCL's as far as receipts went but it was an entirely different story on expenses. The TLC devoted 14 pages to telling where it got its $200,000 but covered where it spent $190,000 in three pages. Unlike the CCL, there was no breakdown of salaries and expenses, yet these made up the biggest single item. Altogether, the TLC paid out about $61,000 in salaries and another $52,000 in expenses.

Dosco Outlook Is Promising

(Continued from page 1)

owned subsidiary at Montreal which manufactures pipe, bolts, wire, steel bars and other products.

A question mark since devaluation has been the position of the firm's Wabana iron mines on Bell Island, Newfoundland. Of 1.7 million tons shipped last year, 862,000 went to the United Kingdom, 759,000 to company's own steel plants and 97,000 tons to Germany. Although eventual result of devaluation cannot be foretold at the moment, it is expected that shipments to U. K. and the sterling area will continue. They have been going to U. K. in about the same volume this year.

Devaluation Delay Expansion

The uncertainty prior to devaluation held up plans for a 50% increase in the capacity at Wabana. Last May, President C. B. Lang told shareholders that negotiations had been concluded and a contract was pending with interests who, provided they obtain permission of their government, had agreed to supply the capital necessary for such expansion. The capital advanced was to be amortized on the price of ore sold to them over a ten-year period. Now, that devaluation has more or less cleared the air, it is thought possible that this deal may go through, The Post is told.

When government direction of primary steel production and distribution ceased recently, the company began to study once more some of its old export markets in which it sold much of its steel production prewar, including the U. K. and South America. However, devaluation hit almost immediately, and company's chances in this direction won't be known for a while yet.

Meanwhile, domestic demand remains at a good level. This together with increased converting facilities, has changed the Dosco picture greatly since prewar days. It is no longer so dependent on export markets, and its production is more widely diversified. However, if devaluation succeeds in its original purpose—the acceleration of world trade—Dosco expects to get back in the steel export markets.

Are Jobless Insurance Claims Up in Your City?

Advance warning of higher unemployment this winter is contained in higher Unemployment insurance claims which show an increase of about 100% over last August. Following is a city-by-city report showing active claims this August against last:

	*Active Claims Aug. 31, 1949	Claims Aug. 31, 1948
NEWFOUNDLAND		
Corner Brook	5	...
Grand Falls	2	...
St. John's	62	...
Total	*69	...
PRINCE EDWARD ISLAND		
Charlottetown	330	195
Summerside	116	85
Total	*466	*280
NOVA SCOTIA		
Amherst	269	135
Bridgewater	179	107
Halifax	1,477	1,032
Inverness	102	83
Kentville	395	193
Liverpool	107	87
New Glasgow	477	415
Springhill	114	98
Sydney	1,209	1,112
Truro	250	221
Yarmouth	418	234
Total	*4,997	*3,717
NEW BRUNSWICK		
Bathurst	252	79
Campbellton	239	75
Edmundston	417	55
Fredericton	153	43
Minto	286	48
Moncton	1,071	544
Newcastle	277	66
Saint John	1,886	996
St. Stephen	360	55
Sussex	46	31
Woodstock	105	33
Total	*5,092	*2,025
QUEBEC		
Asbestos	337	43
Beauharnois	162	99
Buckingham	123	77
Causapscal	114	56
Chandler	211	47
Chicoutimi	481	143
Dolbeau	118	44
Drummondville	848	348
Farnham	147	47
Granby	499	191
Hull	781	470
Joliette	405	232
Jonquiere	362	116
Lachute	135	42
La Malbaie	121	67
La Tuque	147	37
Levis	1,437	614
Matane	101	36
Megantic	146	36
Montmagny	299	99
Montreal	9,755	5,146
Mont Laurier	107	25
Port Alfred	138	39
Quebec	3,335	2,513
Rimouski	208	96
Riviere du Loup	313	105
Rouyn	131	58
St. Agathe des Monts	28	16
St. Anne de Bellevue	76	53
St. Geo. de Beauce	266	114
St. Hyacinthe	506	171
St. Jean	243	103
St. Jerome	422	441
St. Joseph D'Alma	171	70
St. Therese	170	108
Shawinigan Falls	1,114	464
Sherbrooke	1,514	382
Sorel	1,277	167
Thetford Mines	295	230
Three Rivers	1,275	797
Val D'Or	176	51
Valleyfield	431	447
Victoriaville	437	477
Total	*29,342	*14,937
ONTARIO		
Arnprior	71	13
Barrie	33	59
Belleville	300	56
Bracebridge	66	53
Brampton	96	34
Brantford	1,275	208
Brockville	73	57
Carleton Place	75	33
Chatham	84	132
Cobourg	110	25
Collingwood	164	61
Cornwall	650	339
Fort Erie	83	27
Galt	254	44
Gananoque	67	25
Goderich	46	32
Guelph	308	60
Hamilton	2,231	1,013
Hawkesbury	130	58
Ingersoll	32	14
Kapuskasing	25	4
Kingston	314	187
Kirkland Lake	120	65
Kitchener	191	166
Leamington	65	20
Lindsay	145	75
Listowel	54	29
London	355	329
Midland	73	29
Napanee	140	17
New Toronto	299	94
Niagara Falls	226	62
North Bay	96	79
Orillia	212	115
Oshawa	638	797
Ottawa	1,528	1,081
Owen Sound	318	91
Perry Sound	64	68
Pembroke	55	24
Perth	82	40
Peterborough	714	237
Picton	17	11
Port Colborne	170	80
Prescott	71	58
Renfrew	58	10
St. Catharines	552	506
St. Thomas	75	22
Sarnia	158	89
Sault Ste. Marie	234	146
Simcoe	45	32
Smith Falls	212	78
Stratford	180	92
Sturgeon Falls	101	33
Sudbury	223	139
Timmins	317	166
Toronto	3,883	2,064
Trenton	166	38
Wallaceburg	98	28
Walkerton	238	25
Welland	707	113
Weston	96	61
Windsor	1,454	1,359
Woodstock	76	24
Fort Francis	97	25
Fort William	410	106
Kenora	108	44
Port Arthur	431	218
Sioux Lookout	31	...
Total	*22,129	11,857
MANITOBA		
Brandon	156	99
Dauphin	37	27
Flin Flon	15	6
Portage la Prairie	48	65
The Pas	10	21
Winnipeg	2,978	2,224
Total	*3,244	*2,442
SASKATCHEWAN		
Estevan	27	10
Moose Jaw	185	118
North Battleford	100	70
Prince Albert	151	134
Regina	216	213
Saskatoon	422	397
Swift Current	111	42
Weyburn	18	7
Yorkton	64	46
Total	*1,294	*1,037
ALBERTA		
Blairmore	72	35
Calgary	619	461
Dawson Creek	14	14
Drumheller	99	33
Edmonton	762	441
Edson	46	10
Lethbridge	120	83
Medicine Hat	77	32
Red Deer	42	26
Yellowknife	2	1
Total	*1,853	*1,136
BRITISH COLUMBIA		
Chilliwack	205	81
Courtenay	121	63
Cranbrook	76	12
Dawson	1	...
Duncan	136	106
Kamloops	65	63
Kelowna	100	40
Nanaimo	240	114
Nelson	78	71
New Westminster	1,884	896
Penticton	49	27
Port Alberni	184	51
Prince George	131	41
Prince Rupert	40	73
Princeton	36	18
Trail	102	107
Vancouver	7,930	4,273
Vernon	103	53
Victoria	852	1,037
Whitehorse	14	16
Total	*12,347	*7,142
GRAND TOTAL	*80,813	*44,273

Obituaries

W. J. Beattie, Toronto, recently appointed vice-president, Canada Life Assurance Co.

Edward W. Kolb, Calgary, secretary, Alberta Petroleum Association.

Ronald A. McKinnon, 64, Winnipeg, former manager, Dunlop Tire & Rubber Goods Co. at Winnipeg and Calgary.

Gordon Grant Stewart, 64, New Westminster, vice-president, Canadian Western Lumber Co.

Look for It Here

Oct. 22, 1949

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Men! Here's Value!

Fine English Worsteds Tailored to Your Individual Measure

Worsteds like these lend themselves to suit-making like no other fabric. They tailor better, look better, feel better and wear far longer. You'd expect to pay far more for a suit tailored from fine English worsteds of this superb quality. But you yourself be the judge! Drop in tomorrow to Simpson's Tailored-To-Order shop to see these suitings. Examine them carefully, feel their rich texture, compare them! Colors are rich and clear, patterns sharp and distinct!

The tailoring is in keeping with these fine cloths . . . that same tailoring that brings men back year after year to The Tailored-to-Order Shop.

Simpson's Tailored-to-Order Shop
The Store for Men—Second Floor
Dept. 264

Simpson's

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Canada Life Assurance Co. (Toronto)—J. G. Beatty, vice-president and chief actuary; T. H. Gooch, vice-president in charge of agencies.

Canada Paper Co. (Montreal)—Harry K. Collinge, general manager.

Canadian Bar Association (St. John's)—John G. Higgins, Newfoundland vice-president.

Canadian Brotherhood of Railway Employees and Other Transport Workers (Ottawa)—Harry A. Chappell, deputy national president.

Canadian General Electric Co. Ltd. (Toronto)—A. L. Stevinson, to co-ordinate sales at Calgary.

Canadian Life Insurance Officers Association (Toronto) — H. Ewart Cather, secretary, Life Agency Officers section.

Canadian National Express (Montreal)—S. E. Brennan, general superintendent, western region; David MacKay, superintendent, western division.

Canadian Pacific Railway Co. (Montreal)—G. M. Rountree, assistant to comptroller.

Chamber of Commerce (Regina)—Harold Crittenden, president.

Consolidated Mining & Smelting Co. of Canada (Montreal)—A. G. Park, western manager, chemical and fertilizer sales.

John Joseph Foley, 44, Toronto, president, Universal Refrigeration Co.

Ford Co. of Canada Ltd. (Windsor)—G. Douglas Mackie, manager, community relations; James N. Crandall, to manage company newspaper.

Gibbs & Kendall, Chartered Accountants (Stratford)—Frank P. Gibbs, a partner.

Holden Manufacturing Co. Ltd. (Ottawa)—J. J. Turner, manager of Ottawa operations.

Industrial Acceptance Corp. Ltd. (Montreal) — T. R. Bailey, manager, Saskatoon; C. F. Bowden, manager, Winnipeg; J. S. Elliott, manager, Brantford.

International Business Machines Co. (Toronto)—B. E. Smith, general manager.

Ottawa Hydro Electric Commission (Ottawa)—G. R. Davis, assistant to general manager.

Royal Bank of Canada (Montreal)—Sydney G. Dobson, chairman, board of directors; James Muir, president; T. H. Atkinson, general manager.

Sheraton Corp. of America (New York)—John C. Udd (Ford Hotels, Montreal) a director.

Stewart - Lovick & Macpherson Ltd., Advt. & Merchandising Counsel (Toronto)—J. M. Bowman, vice-president and eastern manager.

Union Quits Red CSU

Another plug was pulled on the sinking Communist Seamen's Union this week. In Vancouver, the West Coast branch seceded and set itself up as an independent organization. This leaves the CSU with just a handful of members on the Great Lakes.

However, it is doubtful if the secession was a loss to the Communist movement. Boss of the old and new outfit is Jimmy Thompson, an avowed Communist who has run on the LPP ticket in Vancouver. In announcing secession, Thompson said it was being done "with the full approval of the National Executive of the CSU."

These two facts led observers to believe that the move was purely strategic to outsmart the rival AFL Seafarer's International. There were reports that SIU was planning to move against the CSU on the West coast as it had on the East. If an attack had any chance of success before, it was reduced by the secession.

As the West Coast Seamen's Union (Canada) the old CSU outfit immediately signed an agreement covering 18 freighters and about 700 seamen. The contract was a duplicate of the CSU agreement. All that was changed was the name of the union.

Classified ADVERTISEMENTS

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

POSITIONS WANTED

PUBLIC ACCOUNTANT

AGE 46 FROM ENGLAND over 20 years professional experience desires professional or commercial post, salary $3,000. Saunders, 127 Woodmount Avenue, Toronto. GRover 7305.

CHEMICAL SALES. Young college graduate, seven years production, laboratory and sales experience in heavy and specialty chemicals, wishes opportunity with Canadian chemicals manufacturer. Presently employed in United States. Box No. 303, The Financial Post, Toronto.

YOUNG MAN, Canadian, 30 years old, good appearance, college education, thoroughly bilingual, considerable business and administrative experience, 4 years a resident of Europe would be willing to accept an appointment in Europe or Near East. P.O. Box 166, Town of Gatineau, via Ottawa.

POSITION AVAILABLE

CHARTERED ACCOUNTANT

THIS POSITION presents outstanding opportunities to a young man desirous of entering the industrial field. The duties require a man with not less than 3 years' industrial accounting experience, together with the ability to direct and supervise others. In response please provide full details of academic record, names of previous employers, together with length of service, nature of work performed and salary received. Also salary expected. Replies will be treated with utmost confidence. Box 305, The Financial Post, Toronto.

AGENCIES WANTED

ADDITIONAL INDUSTRIAL LINES required by large Industrial Glove Company for their men covering the year-round all types industrial plants in Ontario and Quebec. Reply P.O. Box 291, The Financial Post, Toronto.

BUSINESS OPPORTUNITIES

OPPORTUNITY OFFERED to several industrial stock salesmen who are capable of earning from ten to fifteen thousand dollars per year. The issue will be for five hundred thousand dollars to expand present mill facilities of a northern Ontario Lumber and Pulpwood firm and to expand into the development and building fields. Necessary arrangements will be made whereby you can sell this issue. Box 301, The Financial Post, Toronto.

OTHER PEOPLE'S VIEWS

Pungent quotes from other papers, selected for their high interest, appear regularly on Post's editorial page. Canadian viewpoints for Canadian-minded Canadians.

BY MAIL ONLY $5 A YEAR

ADVERTISING

Account Appointments, Plans And News of Personnel in the Canadian Advertising World

Association of Canadian Advertisers, at its Toronto convention this week, elected as president Lee Trenholm, Provincial Paper Co., Toronto. He succeeds George S. Bertram, Swift Canadian Co.

Executive vice-president is J. G. Hagey, B. F. Goodrich Rubber Co., Kitchener; vice-president and treasurer, J. W. Lawrence, The Borden Co., Toronto; and vice-presidents, H. T. Venning, Shirriff's Ltd., Toronto; John O Pitt, Canadian Fairbanks-Morse, Montreal; and Robert E. Day, Bulova Watch Co., Toronto. From the ACA's headquarters staff, Athol McQuarrie is general manager, and J. A. M. Galilee, secretary.

Directors are T. M. Atkinson, Canadian Industries Ltd.; Mr. Bertram; G. Walter Brown, Bristol-Myers Co. of Canada; D. O. Durkin, John Inglis Co; E. T. Gater, Sterling Products Ltd., R. R. McIntosh, General Foods Ltd.; H. T. Markey, Dominion Textile Co.; John M. Meldram, Canadian National Carbon Co., M. M. Schneckenburger, House of Seagram; R. C. Scrivener, Bell Telephone Co.; R. E. Sewell, Coca-Cola Ltd.

* * *

Cossman, Eyeleigh, Dair Ltd. is new Montreal advertising agency; results from amalgamation of Cossman Advertising Agency, Montreal, and Eveleigh-Dair creative design and advertising studios. Agency will occupy new offices at 1255 Phillips Square.

* * *

Russell T. Kelley Ltd. (Hamilton) reports plans to introduce new Hoover Floor Polisher via mailing card, broadside, trade journals. Consumer advertising will appear in national magazines and weekend rotogravures.

* * *

Ben Sugarman Ltd. (Toronto) gained recognition as an advertising agency at semi-annual meeting of Canadian Daily Newspaper Association directors in Halifax this month. Executives of new agency, are president, Ben Sugarman, vice-president, Sydney Sugarman; production and media manager, Joseph H. Miller; account executives, Mark J. Markus and Albert R. Gellman.

* * *

Tandy Advertising Agency Ltd. (Toronto) appointed to handle advertising for a "Cross-Tarch," plastic starching product. Client is Cross Canada Sales. Initial plans call for 1000-line newspaper insertions, coinciding with the appearance of product in local stores.

* * *

O'Brien Advertising Ltd. (Vancouver) is distributing 1949 edition of 20-page publication, "The British Columbia Trend", now in its fourth year. Reviewed are population, employment and earnings, all aspects of B. C. industry.

* * *

Walsh Advertising Co. (Toronto, says Monarch Knitting Co. will use full page ads in fashion trade papers to acquaint dealers with consumer advertising in Canadian dailies, using 100-line insertions with an additional insertion of 560-line ad during Christmas season.

* * *

Ottawa Advertising and Sales Club is sponsoring eight lectures on "Public Relations-Basis for Better Business" each Wednesday evening, beginning this week. Talks will feature Averell Broughton, president of Public Relations Society, N. Y.; Donald C. Brown, Shawinigan Water and Power Co., Guy S. Cunliffe, associate editor, Montreal Gazette; F. F. Field, Central Mortgage and Housing Corp.; Constance Ganong, J. Walter Thompson Co.; Gordon C. Garbutt, Ford Motor Co.; C. W. Gilchrist, Department of National Health and Welfare; Vernon O. Marquez, Northern Electric Co.; Frank Pendergast, Imperial Oil Ltd.; Carl Reinke, Canadian Industries Ltd.; and Reille Thomson, Canadian Pulp and Paper Association.

* * *

James Lovick & Co. (Montreal) handles magazines and newspaper ads, to appear throughout winter months, for British Colonial Hotel, Nassau, Bahamas.

* * *

O'Brien Advertising Ltd. (Vancouver) prepared series of 250-line ads for Lemon Hart Royal Navy Rum, to run throughout fall and winter months in B. C. daily and weekly papers. Seasonal sports illustrations feature product.

* * *

Harry E. Foster Advertising Ltd. (Toronto) directs new radio show twice weekly over seven English and French stations for client, Orange Crush Ltd. Program offers membership badges and certificates to children; features safety hint.

* * *

James Fisher Co. says B. M. Engineering Co. will use small space, twice a week, in 25 dailies Halifax to Victoria, to advertise "Ballerina" ladies' watch expansion bracelets and men's bracelets.

* * *

Windsor Chamber of Commerce has been advised by LeRoy Rodd, chairman, Business Protective Bureau, that a Bureau committee will study a possible extension of present controls over advertising copy. Feeling is that some legal control other than that provided in the criminal code should be applied.

* * *

Four national organizations and radio trade publications are sponsoring "National Radio Week", Oct. 29-Nov. 5, to promote receiver sales. Material circularized to dealers gives details of $3,000 contest for radio salesmen.

* * *

O'Brien Advertising Ltd. (Vancouver) says sponsorship of half-hour humorous radio show "The Smiths of Hollywood" over Vancouver station is new departure for its client, Vancouver Motors Ltd.

Ask for "LA SIMBOMBO" (A CIGAR OF DISTINCTION) HANDROLLED IN HABANA OF "VUELTA ABAJO" TOBACCO

IMPORTED IN CANADA EXCLUSIVELY BY C. KANELLAKOS & CO. LIMITED MONTREAL

The ideal Christmas gift for that special friend or client.

Enquiries invited

MAYFAIR

A NATIONAL CIRCULATION THAT SMALL ADVERTISERS CAN EASILY AFFORD.

A PREMIUM CIRCULATION THAT BIG ADVERTISERS CAN PROFITABLY USE.

Canada's prestige magazine influences greater purchasing power with less waste.

ASK YOUR ADVERTISING AGENT OR PHONE

MAYFAIR MAGAZINE

DOMINION SQUARE BLDG., MONTREAL.
481 UNIVERSITY AVENUE, TORONTO.

A Maclean-Hunter Publication.

RESORT HOTEL MANAGER WANTED

Opening for aggressive, promotion-conscious, experienced hotel executive capable of assuming full administrative charge of an internationally known all-year hotel, resort and health centre in British Columbia. Wonderful possibilities for a man with proper blend of experience, cost-consciousness and showmanship. Submit full record, photograph and salary expected. Applicants chosen for final screening will be required to submit suggested plan of action based on information to be supplied. Original letters of application will be returned, all correspondence in strictest confidence. Reply to

CONFIDENTIAL
Box No. 298

THE FINANCIAL POST, TORONTO

Here's U. K. Plan to Boost Canadian Sales In Machine Tools and Allied Industries

The British engineering industry climbs into high gear this week end in a renewed drive for greatly increased sales here of British capital equipment.

Spearheading the drive is a six-man mission representing machine tool, electrical and allied manufacturers due in Toronto next week for important discussions with the Canadian Standards Association (The Financial Post, Sept. 10), and to arrange substantial representation in next year's Canadian International Trade Fair, as well as to make individual selling drives.

Heading the mission is D. Maxwell Buist, export director of the British Electrical and Allied Manufacturers Association and chairman o" the British electrical industry exports committee.

With him are Sir Holland Goddard and W. L. Sims from the Machine Tool Trades Association.

It's planned that other top-ranking capital equipment manufacturers will follow this delegation throughout this year and next to visit prospective customers and talk over requirements.

To implement the sales drive the industry plans to set up a Toronto office to provide financing and secretarial staffs for visiting representatives.

As well, the industry plans to establish a number of business "listening posts" to cover major irrigation, construction, mining and other projects such as the Western pipelines and hydro developments.

These listening posts would gather data on requirements for the various projects for co-operating British interests.

British authorities here tell The Post that the engineering industry in Britain is in general now fully alive to the "enormous possibilities" of the market here for capital equipment; are fully equipped to do the job required of them and are in no way unhappy about their ability to compete with American suppliers. Nearly all big firms, they state, have plans to send out to technical men to do an on-the-spot selling job.

Well ahead of this general plan, but indicative of its scope, is the current visit of Anthony Stokes, deputy managing director and technical director of one of Britain's largest firms of construction and industrial equipment engineers, Ransomes and Rapier Ltd., of Ipswich, England.

Stokes, whose firm claims world originators of mobile cranes, is presently in the middle of a nine-weeks selling tour taking in major projects centred on Montreal, Toronto, Winnipeg, Regina, Edmonton. So far, he's had a detailed look at Ontario's Hydro projects, oilfield developments, the St. Lawrence Waterway plans and claims that there is little in the way of American equipment presently in use here that his firm cannot supply.

Among the equipment he's offering are concrete mixers, truck concrete mixers, road-making machinery, all types of gasoline-electric mobile cranes, excavators, sluice gates for dams (his firm supplied those for Niagara and the Alberta dam) and what is claimed to be the world's largest and most powerful in draglines.

This monster weighs 1,800 tons, and would take 15-18 months to build at a cost of around $1 million f.o.b. England.

Designed for open-cast mining it has a body 100 ft. long, and 72 ft. wide, a jib of 290 ft., with a 20-yard bucket. Of Diesel-electric operation, it generates enough power to serve a city of 40,000, and can be operated by one man.

As a result of business enquiries to date, Mr. Stokes has been encouraged to set up a Dominion-wide organization for his company, headed up in Toronto by R. H. Stokes-Rees, Talbot & Co. as Dominion management. The next step, says Mr. Stokes-Rees will likely be to establish a Canadian subsidiary, Ransomes and Rapier (Canada) Ltd., with the Stokes-Rees Co. as Dominion directors.

And that's the pattern that's planned for a number of leading British capital equipment producers. It opens up a new field for the aggressive Canadian importer, and, as stated above, the British capital equipment producer is now ready to move into high gear in a drive to capture a much bigger slice of a Canadian market for capital goods that presently runs at $400 millions a year in favor of the U. S. producer but returns only $28 millions to the U. K. producer.

And if the U. K. manufacturer succeeds, here's a sizeable contribution to Canada's balancing of accounts in terms of U. S. dollar outgoings.

A. L. PENHALE

has been elected a director of Woods Mfg. Co. He is chairman of Asbestos Corp.

Free Domestic Gold Mkt. Sought by Ont. Gold Mines

(Continued from page 1)

$6 millions of its current production as "inventory." The recent devaluation upset brought the company a return on this inventory, but against this the company lost at least 3% on its money over a 2½-year period — even assuming it was not penalized in relation to the present federal gold-mining subsidy.)

Opposition From Ottawa?

There has been no official indication yet as to what the Government will say to this newest approach by the Canadian gold-mining industry. While there is nothing in the Canadian law to control the price at which two residents of Canada can trade in gold, it is believed the Government will not be well-disposed towards anything which will increase the amount of hoarding or which would jeopardize in any substantial degree the amount of gold now available to assist our balance of payments difficulties.

What's most likely is that the Government will take the view that "technical" difficulties stand in the way of any change in present bullion policy. For example there are no facilities at the Canadian Mint for putting up gold in other than the 400-oz. international units (these bars range in weight from 390 to 410 ounces).

Rather than face the issue on policy grounds it is believed this technical reason will be given for opposing any change in present policy.

Here's Alternative

There is one further alternative, namely that the industry set up its own bullion market and make its own gold bars in convenient sizes to suit individual purchasers. It is pointed out that there is no need to have the Royal Mint certify to the weight and fineness of gold bars. If the Mint, representing the Government, wants to have no official part in a bullion market then the industry is free to work on its own. There is nothing in the law to prevent this.

The official enquiry came to the Government through the Ontario Mining Association. It is understood that a reply has gone back confirming the legal and technical position. But there has been no official statement as to Government policy.

In the Commons this week, Mr. Abbott answered an inquiry by M. J. Coldwell, as to what steps the Government intended to take "to prevent profiteering by McIntyre-Porcupine or other gold mines on alleged accumulations of gold concentrates withheld for some time awaiting devaluation."

Mr. Abbott referred to his earlier statement from Hansard of June 10, 1947, in which it was decided it would be too drastic a penalty if the Government were to commandeer "hoarded" gold. Mr. Abbott added at that time: "I am content to defer action for the time being because any gold that is stored by mining companies will be in a few hands; we will know where it is and approximately what it amounts to. We can therefore take it into account as in some measure a substitute for a part of our official reserves and finally if the need arises we will be in a position to have it transferred to the Bank of Canada under the legislative authority I have mentioned."

Mr. Abbott reiterated that the need to transfer this gold did not arise and that gold held in this way over the past two or three years would be "tied in an unproductive manner."

Rent Control Test Nov. 7

(Continued from page 1)

by The Financial Post, that wouldn't necessarily mean automatic decontrol in the period between court decisions, even if the Ontario finding went against the federal legislation. Landlords, it's thought, might hesitate to jump rents or evict tenants contrary to control legislation until the higher court ruled.

The Government is said to favor continued rent control, especially in place like Toronto where it feels major rent increases would follow decontrol. It is said, however, to doubt the validity of such legislation if continued, and to have under consideration a direct Crown application to the Supreme Court of Canada if there is any delay in the test case coming up in Toronto two weeks hence.

PRICES

(Continued from page 1)

other non-ferrous metals this week.

Lead was cut again due to competition from foreign lead being offered at lower prices. Reduction was ¾c lb. to 13c N. Y.—14¼c in Canada. Total decline since Sept. 26 is 2⅛c.

Copper price remains firm at 17⅝c.

Zinc was unchanged but business virtually at a standstill as result of the steel strike which has cut off demand from galvanizers.

Reductions of approximately 20% have been announced by the Canadian agents for Wilkinson Sword Co. of England, on its entire line of **razors, fencing foils, fencing equipment, pruning shears,** etc. as result of sterling devaluation. Prices of the Wilkinson razor are now said to be about the same as they were at the close of the war; still slightly above prewar.

* * *

Cocoa prices are not expected to show any sharp reduction when the West African crop is marketed. No estimate of the 1949-50 crop is yet available but indications are that it will be somewhat below the 1948-49 crop. Since Britain controls 50% of the world supply it is unlikely that price will drop much. Price is dependent on the policy adopted by the West African Control Boards, the monopolies which handle the marketing of Accra and Lagos.

Algoma Share Split Approved by Meeting

Shareholders of Algoma Steel Corp. have approved subdividing of the company shares four for one at a special meeting this week.

Toronto Stock Exchange announces that the subdivided shares are being posted for trading on an if, as and when issued basis. After giving effect to stock split, capitalization of the company will consist of four million authorized shares of which 1,650,800 shares will be outstanding.

$3 Hour for Unskilled Girl Sought in CGE Union Fight

(Continued from page 1)

Management continued to talk about "clarification." At noon, the 3,000 employees walked out. Over the week end, at union request for clarification, Judge Cochrane reiterated his ruling that the old rates should be restored.

That seemed to be the clincher. But instead, the union called off its "work holiday." The night shift reported for work on Monday night and on Tuesday the day shift was back on the job.

Meanwhile, the cause of all the trouble remained. Nothing had been solved. Workers had lost $50,000 in wages, management 1½ days output.

All avenues of settlement set up by government have been exhausted. Now it's back to where it was originally — straight negotiation between management and union. This is probably why the union called off its demonstration. To get negotiations reopened, employees had to go back to work.

The Communist Influence

Why did this local take such drastic action over such a small problem? Because the principle of abiding by arbitration findings is conceded, this could not be the real reason. Some believe it was part of the inter-union struggle for power between the left and right. In the face of constant Communist goading, the non-Communist leadership may have decided on the one-day strike to demonstrate its "militancy" to the rank and file.

Meanwhile, the Communist-loaded district leadership got on the bandwagon. In a press statement they implied that a strike vote would be taken through the CGE chain not only to back up the Peterboro walkout but to show management they meant business on over-all contract demands which are now in the conciliation stage: reduction in work week from 44-40 hours with same take-home pay; plus 16c an hour raise and improved union security.

A careful reading of the statement indicated all that had happened was locals had been asked to authorize the District to take a strike vote: a long way from taking one. But the threat remained: CGE is undoubtedly in for trying times until a new contract is sealed and delivered.

BOOKS FOR BUSINESSMEN

FOREIGN POLICY, 1949-50, published by the Brookings Institution, Washington, D.C.; 492 pages; price $3.

The serious student of modern history will find it difficult to refrain from studying this book closely and then putting it aside for reference. It is the third in a series of annual volumes, part of the Institution's program of research and education in the field of international relations.

The volume deals with U. S. foreign policy in all parts of the world, pointing up significant events to mid-summer, 1949, and discussing their relation to the over-all problems.

The editors are blunt in their opinions. Here is one sample: "Although the problem of Germany is less acute than it was, it is still the greatest single issue in the relations among the major nations. In the background lie possibilities that neither side can ignore. So long as the Soviet Union persists on its present course, the danger cannot be ignored of a Communist Germany combining with the Soviet Union to constitute one of the worst menaces the United States and the other Western democracies have ever known. On the other hand, to Russian eyes a democratic Germany restored to its full power and allied with the Western democracies would at best in a peaceful world constitute a most powerful magnet attracting countries to the West and away from the East; while if the Soviet leaders continue to accept their own thesis that war with the capitalist West is inevitable, they would be confronted by a far more powerful opponent than they feared in Nazi Germany. In the meantime the future of Germany must be determined in relation to the regional arrangements for collective self-defense that have become an essential part of the immediate basis of international security."

Mild Thaw Seen for Jobs

(Continued from page 1)

in those places. What will happen is that men who normally come off the farms, highways, etc. will apply for insurance in these centres instead of going into the woods as they have in the past several years. Unemployment figures for these cities must be interpreted with this qualification.

But there is expected to be a considerable decline in employment in the machinery and steel manufacturing industries at least by the turn of the year. It is reported that automotive, farm implement, railway rolling stock, shipbuilding and machinery and tool industries combined have taken in about 10% less carbon steel than they did in the first half of this year. Thus, while employment in these groups (apart from shipbuilding) had been well maintained during the first half of the year, this isn't likely to continue, according to present indications.

Inventories Holding

One offsetting factor (apart from the present strike threat in the U.S.) is that there has apparently been no reduction in inventories such as occurred in the U.S. during the past summer. It is believed that Canadian firms have maintained their inventories at about last year's level. There is also better balance which makes for smoother flow of production; fewer bottlenecks.

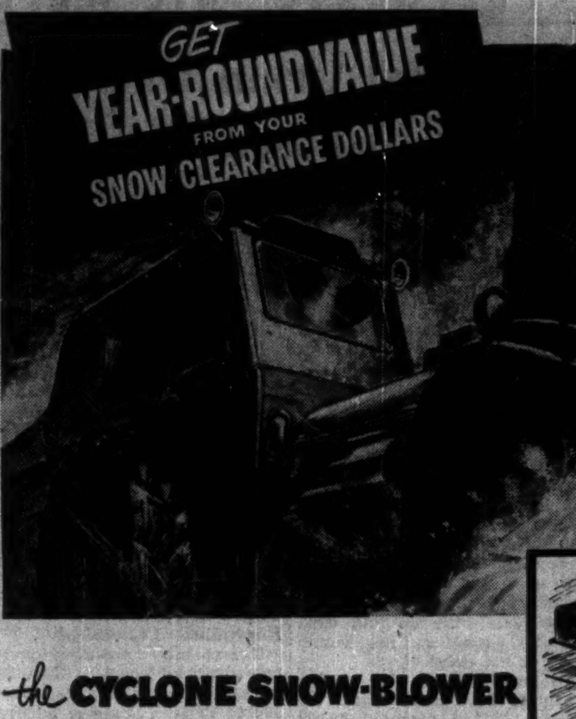
The changing character of Canadian business for the last quarter of 1949 is shown in trade returns. After allowances for price changes, it is now estimated that for 1949 as a whole, exports will be lower by possibly 6% and imports up by 6%.

But within this over-all picture there are sharp changes in individual items. Export of planks and boards are lower by almost 25% compared with last year. Pulp exports are down 18%. Against this, newsprint is currently running 9% ahead of last year.

Another anomaly: Canadian exports of grains are up sharply; but exports of other farm products are down — bacon by 85%; eggs 65%; flour 22% in terms of volume.

It is expected that by the end of this year these sharp variations will be even more marked.

Import figures also show considerable change within the over-all 6% gain in volume. The biggest change is the phenomenal rise in imported steel which has been running 60% above last year in the earlier part of 1949. Yardage of imported cotton and rayon fabrics is very substantially increased.



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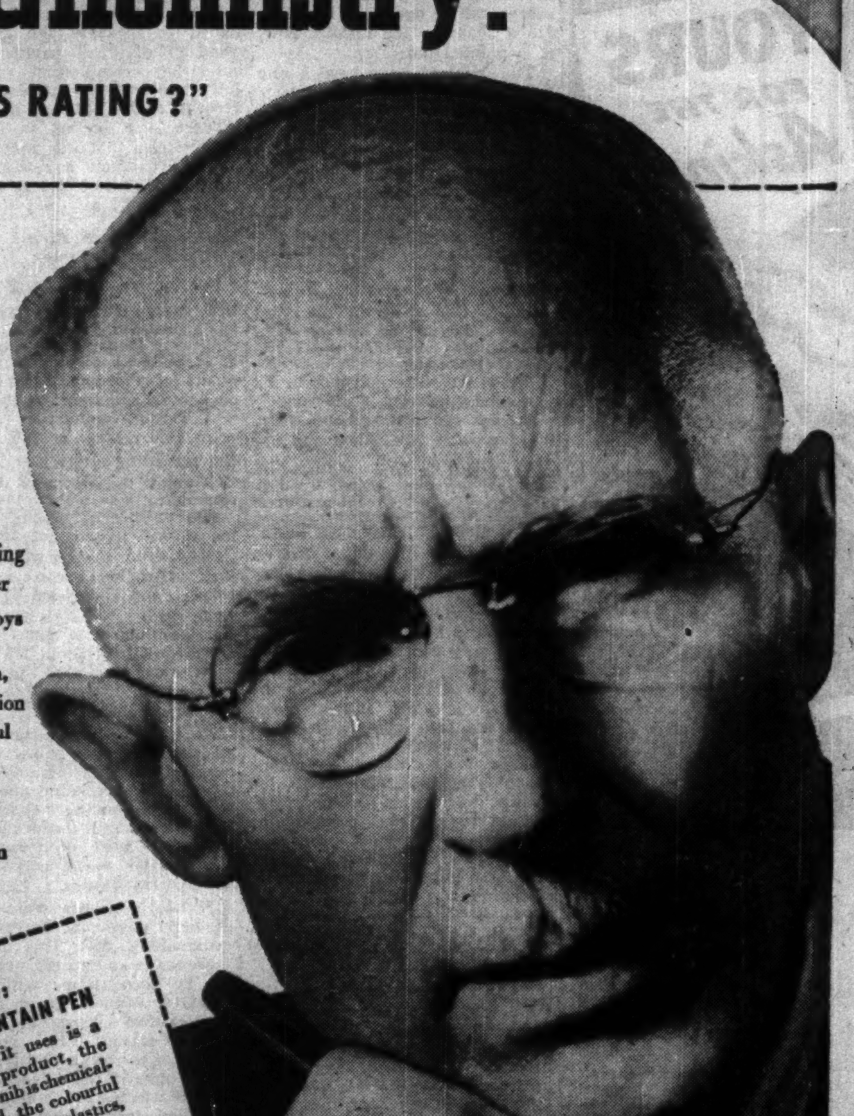

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CANADA BREAD COMPANY, LIMITED

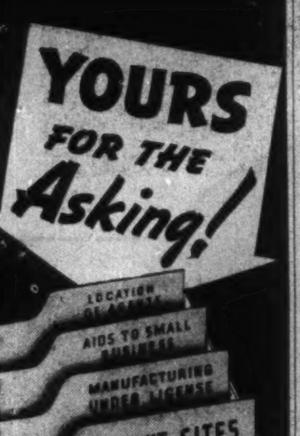
NOTICE OF REDEMPTION
To Holders of
4½% First Cumulative Redeemable Preference Shares

Notice is hereby given that the Company intends to redeem and hereby calls for redemption on the 2nd day of November, 1949, all its outstanding 4½% First Cumulative Redeemable Preference Shares of the par value of $100 each. The Company will pay to or to the order of the registered holders of such shares One Hundred and Three per cent (103%) of the par value thereof together with the sum of forty-one cents (41c) per share, being equal to a dividend at the rate of 4½% per annum for the period from October 1, 1949, (the date to which the last quarterly dividend has been paid) to the date specified for redemption, upon presentation and surrender of the certificates for such shares at the office of Chartered Trust Company, 34 King Street West, Toronto 1, Canada.

Notice is further given that from and after the 2nd day of November, 1949, the 4½% First Cumulative Redeemable Preference Shares shall cease to be entitled to dividends and the holders thereof shall not be entitled to any rights in respect thereof save only that of receiving the redemption price.

Notice is further given that should the holders of any of the 4½% First Cumulative Redeemable Preference Shares so called for redemption fail to present the certificates representing such shares within twenty days after November 2, 1949, being the date specified for redemption, the Company will deposit the redemption price of such shares to a special account in The Dominion Bank, King and Yonge Streets, Toronto, Ontario, to be paid without interest to or to the order of the respective holders of such shares upon presentation and surrender to such bank of the certificates representing such shares, and upon such deposit being made the shares in respect whereof such deposit shall have been made shall be deemed to be redeemed and cancelled, and the rights of the holders of such shares, after such deposit shall have been made as aforesaid, shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the said certificates held by them respectively.

DATED the 17th day of October, 1949.
CANADA BREAD COMPANY, LIMITED
per L. F. ENRIGHT,
Secretary-Treasurer.



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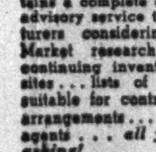

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MANITOBA
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INVESTMENTS THIS WEEK

Is Federal Grain Dispute Finally Disposed Of?

Does the purchase of the Federal Grain "B" shares held by a minority group mean final settlement of the dispute against the company and its directors? (see page 28) What will happen to the 20,229 Class "B" common shares under dispute? Will their sale be cancelled and the stock returned to the company?

These questions formed the basis of much speculation in financial circles this week. Federal Grain Class "A" common shares jumped from about $9¾ a share to $12½ a share on Thursday last week on heavy trading as news of the settlement with the minority group came out. Up to Sept. 15, the stock had a 1949 high of $7½ early this year and a low of $5¼ and was selling about $6 a share on that date. The "B" common, the voting stock, is not listed.

To press time, so far as The Financial Post could learn, the transfer of the disputed 20,229 "B" shares had not been set aside and cancelled. Federal's President H. E. Sellers told The Post that the purchase of the minority group's "B" shares by Melady, Sellers & Co. "in which company I am interested, did not involve discussion on return and cancellation of 2^,229 'B' shares." (Mr. Sellers is president of Melady, Sellers & Co.).

But if the sale of these disputed shares is not cancelled, the company and its directors may have the lawsuits against them reviewed. Holders of class "A" common are now discussing that possibility, The Post is told.

Purchase of the minority group's shares has raised three questions:

(1) Was the deal done for any other reason than to terminate the lawsuit?

(2) Was $20 a share the only consideration given the minority holders for their shares?

Brokers are stating that some of the minority group paid more than $20 a share for some of their "B" shares; that they would also have a sub[illegible] legal bill. (On Feb. 14, 1948, The Post reported that Peter D. Curry & Co. would bid $25 a share for any and all Class "B" shares offered to it. Mr. Curry is a member of the minority group.) In view of this they are questioning whether $20 a share was the sole consideration.

Cancellation of the sale of the disputed shares to two investment firms (Wood, Gundy & Co. and Royal Securities Corp.) and return of the shares would eliminate possibility of the lawsuit being resumed and would likely restore harmony among the shareholders, it is argued. Further, directors need no longer worry about having a controlling interest in the "B" shares and the "A" common, the non-voting shares, can be bought at less than $15 a share in the market now, it is pointed out.

The point at issue here is one that merits a definitive ruling.

* * *

Stress Advantages Of Convertible Bonds

A type of security which is becoming increasingly popular with investors who desire a high degree of safety and yet, at the same time, wish to participate in future growth is the convertible bond or debenture, Milner, Ross & Co. states in its latest market letter. The holder of a convertible bond has the privilege of exchanging his bond for stock at any time and it is to his advantage to do so.

Recent convertible issues have been quickly subscribed and are now quoted well above the original offering price. Traders Finance Corp. 4% debentures, offered in April at $100, are now about $108 bid. Husky Oil & Refining 5½% debentures, offered in July at $100, are now $102½ bid. Interprovincial Pipe Line debentures, offered in Sept. at $100 are now $127 bid.

Not only has the investor in a convertible bond the protection of a definite claim against the company's assets and earnings, with his principal repayable in full at maturity, but, if the company's stock in the meantime should increase substantially in value, very worth-while profits would be gained by exchanging the bonds for stock, the firm points out. This privilege is particularly important in periods of inflation.

A variation of the convertible bond is one with a purchase warrant attached, entitling the holder to buy stock at a certain price. If the stock increases in value above the stipulated price the warrants (and the bonds) naturally increase in value also.

The usual standards of a good bond must also be present in addition to the conversion feature, Milner, Ross warn. The company itself must be fundamentally strong with sufficient assets and earnings to give ample security to the bondholder.

The firm expects there will be further offerings of convertible bonds in the future by leading companies.

* * *

See Earnings Higher For Standard Chemical

The recently announced quarterly dividend boost in Standard Chemical Co. common stock from 10c to 12½c a share is believed to reflect higher company earnings in the current year to date.

If the 12½c (declared payable Dec. 1, 1949) represents a new 50c annual rate then the stock will provide a yield of around 6.15% at current price of about $8⅛ a share. The stock has had a 1949 high of $9¼ and a low of $5.

* * *

U. S. Price-Earnings Ratio Averages 7.4 For 262 Firms

Based on second quarter earnings, the price-earnings ratio for the common stocks of 262 large U. S. industrial and trade companies was 7.4, Cleveland Trust Co. state in their September Business Bulletin. A year ago the ratio was 6.6.

In computing these ratios, earnings represent average net per share of common stock, at the annual rate, for the second quarter of 1949 and of 1948. The common stock prices used are the averages of the highs and lows from July 1 to Aug. 15.

A table gives the median average price-earnings ratio by industry group and it shows as follows:

Industry:	Second Quarter 1949	Second Quarter 1948	First Quarter 1949	First Quarter 1948
28 Autos & parts	5.7	5.0	5.5	5.7
22 Chemicals	10.3	10.4	10.9	10.8
17 Food	9.1	9.2	9.2	10.1
18 Machinery ...	5.8	6.2	5.1	6.6
23 Oil	6.9	5.1	5.9	5.1
23 Steel	4.4	6.0	3.4	5.7
131 All other	8.1	6.9	6.9	7.3
262 Total	7.4	6.6	6.5	6.9

* * *

Dividend Index Rises in October

The index of dividend payments compiled by Nesbitt, Thomson & Co. rose to 215.2 in October as compared with 213.2 in September. It is still down from its high of 217.5 of last March.

The index does not contain any gold mining companies. It is designed to measure the general trend of dividend payments of industrial, commercial, utility and banking companies. The average of 1935-39 equals 100.

There is a feeling in investment circles that this index will continue to show a rising trend for the balance of this year.

* * *

Earnings of U. S. Firms Down in 2nd Quarter

Net income, after taxes, of all U. S. manufacturing corporations again declined during the second quarter of 1949 and was estimated at $2 billion according to a joint report of the Securities & Exchange Commission and the Federal Trade Commission. Profits were $400 million or 16% below the preceding quarter and about 29% below the profits of the corresponding quarter of 1948.

The decline in profits during the second quarter of 1949 reflects a drop in sales which more than offset lower costs and expenses and provision for income taxes, S.E.C. notes. Sales were estimated at $38.5 billion for the quarter, about 2% below total sales for the preceding quarter and 6% below the second quarter of 1948.

Net income, after taxes, for all sizes of corporations for the quarter was considerably lower than in the preceding quarter or the corresponding quarter of 1948. In general, the decline was somewhat more pronounced for the smaller sized corporations, the report indicates.

Although profits were down, dividend payments increased approximately 5%. This increase however, was entirely accounted for by corporations with assets of $100 million or more, the smaller size classes all showing minor declines, S.E.C. notes.

One of the more significant developments in the second quarter of 1949 was the reduction in short and long term loans payable to banks. Bank loans payable within one year showed a sharp drop in contrast to the moderate declines which characterized the preceding two quarters. During the second quarter the decrease amounted to more than $600 million and represented a 22% decline from the amount outstanding at the end of March 1949. A $200 million drop in the long term bank loans is the first decline in recent quarters.

Since the end of 1948, U. S. manufacturing corporations have been steadily improving their liquid position, in large part through liquidation of inventories and the reduction of current liabilities. (See The Financial Post Oct. 15.)

* * *

Pipe Line Debentures Price Continues Up

The trend to higher prices for Interprovincial Pipe Line 4% debentures continues to the amazement of some investment dealers. This midweek the debentures were quoted $128 bid to $128½ asked as against about $124 the week earlier. They were offered at par the last week in September.

How high these bonds will go remains to be seen. Some dealers are now talking prices of from $140 to $150 for them before long.

Payment for the debentures and delivery of the interim certificates took place early this week so that any sell-off from sales of "riders" should have been seen either late last week or early this week.

* * *

No Offer to Other Holders Harrison Hot Springs Hotel

No offer has been made to acquire the common shares of Harrison Hot Springs Hotel in the hands of the public in connection with the recently announced acquisition of the controlling interest by United Distillers of Canada Ltd, The Financial Post understands.

The $300,000 first mortgage 20-year 4½% debenture issue of the Harrison Hot Springs Hotel will remain outstanding it is reported.

Nat. Hosiery Mills Sales, Earnings At Record Levels

Sales and earnings of National Hosiery Mills Ltd. have been maintained at record level during the third quarter of this fiscal year, the company states. Net profit after all charges including incomes taxes, is $381,048 for the nine-month period ended Sept. 30.

Unfilled orders on hand are at an all-time peak and a record fourth quarter seems assured, President E. B. Eastburn states.

Further conversion of Class A shares into Class B shares to take advantage of the higher dividend rate on the latter, currently leaves the share capitalization as 16,066 class A shares and 106,913 class B shares.

A quarterly dividend of 40 cents per class B share was recently declared which establishes a new rate of $1.60 per annum.

Can. Car to Reopen Amherst Foundry

MONTREAL (Staff) — Canadian Car & Foundry Co.'s wheel foundry at Amherst, N.S., shut down for the past few months, will re-open in November, according to the company.

The rolling mill at Amherst has bright prospects for the next few months, it is stated. It is busy turning out reinforcing rods to supply a number of Maritime as well as Montreal demands, and has orders on hand covering production until the end of the year.

The Amherst plant produces car wheels for railway and other rolling stock, and reinforcing steel for the building trades.

Earnings Seen Unaffected By Brompton Sale

MONTREAL (Staff) — Brompton Pulp & Paper Co.'s sale of its mill and power sites at Bromptonville for $725,000 is not expected to have any sizeable effect on company earnings, a company official tells The Financial Post.

The plant, sold to the city of Sherbrooke, had been closed down since May 28. Company had been producing newsprint there for the Philadelphia Bulletin, but with better newsprint supply conditions, it was decided to shut down the operation because costs were considered too high.

In addition to its 17,000-ton annual capacity of newsprint at Bromptonville, plant had annual groundwood capacity of 15,000 tons. However, groundwood market had been soft since late last year and sales dropped off drastically early this year. Company has 25,500 tons groundwood capacity at Nipigon and Red Rock to handle any business in this particular pulp.

The city plans to make use of the company's power sites on the St. Francis River with a potential of approximately 15,000 hp. The municipal authorities had been looking for a possible new power site for some time to offset shortages. A Sherbrooke report states that if the purchase is approved by ratepayers (vote is expected in about a month), city intends to install generators and other equipment needed to convert the existing plant from a waterwheel to a hydroelectric generating plant.

City hopes to sell the mill itself thereby reduce net expenditures necessary to develop the power site. A city survey indicated that an additional 10,000 hp. could be added to the city's electricity supply within a few months with an expenditure of $850,000 for new equipment and for renovation of the dam and powerhouse, it is reported.

Blue Ribbon Corp. Seeks Approval For Three Bylaws

Shareholders of Blue Ribbon Corp. will be asked at the annual and special general meeting this week to consider and, if approved, ratify three bylaws. These are:

(1) Bylaw No. 26, which is to change the year end of the company from June 30 to Dec. 31.

(2) Bylaw No. 27 which is to provide for cancellation of 12,793 preferred shares, par $50, previously purchased by the company from time to time under provisions attaching to the preferred shares and for authorizing application for supplementary letters patent to state that the authorized capital stock shall consist of 27,207 5% preferred shares of which 17,057 are outstanding and 150,000 no par value common shares of which 65,000 have been issued.

(3) Bylaw No. 28, which would change the head office from Chatham, Ont. to Winnipeg, Manitoba.

Canadian Utilities Expansion Enables It To Meet Demands

The expansion program of Canadian Utilities, Ltd., Edmonton, started in 1947, has enabled the company to meet the demands for expansion of the electrical industry in the area it serves and it will be able to continue to do this for some years to come, President B. M. Hill tells The Financial Post. The company spent over $1,600,000 in added plant and transmission-distribution systems in 1947, about $1.9 millions in 1948, and authorized another $1 million in 1949.

In addition to expanding generating capacity at the various plants, the company has extended its transmission lines into new and unserved areas, particularly to meet the demand from farm population.

Some years ago Canadian Utilities sent two of its engineers to northwestern United States to study the rural electrification systems. Then it decided to build some experimental areas of its own to obtain cost and operating data for a basis of estimating from time to time. In creating these experimental areas it was necessary to consider the different types of farming in the province, the dairy industry being the heaviest users of electrical current. These experimental areas demonstrated quite clearly that under existing conditions electric power could be extended to a fairly large percentage of the farms in Alberta, Mr. Hill stated.

The next step in the rural electrification program was the formation of Rural Co-operatives. By this scheme, farmers pay for the cost of transformers and transmission lines. Today there are about 75 Rural Electrification Associations in existence.

At the end of 1949, it is expected that some 8,000 Alberta farms will be electrified, of which the company will serve about 1,500. A definite program has been established and, if it can be carried out, practically all the farms within reasonable reach of electrical transmission lines will be served within the next few years, Mr. Hill stated.

Agreements have been reached between Canadian Utilities Ltd. and Calgary Power Co. for interconnection. The objective is not only to provide emergency service to each other, but it is also felt that in the public interest the surplus of one company should be made available to the other, avoiding unnecessary duplication of generating and transmission facilities.

Under these arrangements, Canadian Utilities steam plant at Drumheller has now been tied in with the Calgary Power system in the south, and its new gas-fired steam plant at Vermilion will be tied into the Calgary Power lines in the north. More interconnections will be made as the occasion demands, Mr. Hill states.

Gross operating revenue for the 12 months to June 30, 1949, amounted to $1,457,288, up 19.4% from $1,220,888 for the previous 12 months.

Av. Stock Yields Lowest Since Jan.

The average yield on 112 dividend paying stocks in the Toronto Stock Exchange, as compiled by Moss, Lawson & Co. on prices of Oct. 17, declined .08% to 5.92% during the past week (6.04% last month and 5.66% one year ago.) The current yield is the lowest since January and contrasts sharply with the high of 6.94% in June.

The yield in mining stocks was down 0.11 at 5.79% (5.60% and 5.66% respectively).

Common stocks lost 0.88 in yield at 6.09% (6.35% and 5.86%).

The yield on preferred and "A" stocks showed a decline of .05% to 6.41% (6.56% and 5.69%).

The yield on bank stocks was unchanged from last week at 3.78% (3.88% and 4.06%).

Brand & Millen Results Better

Results of operations at Brand & Millen Ltd. for fiscal year ended July 31, 1949, show great improvement over the previous fiscal year, a company official informs The Financial Post. Dollar value of sales in 1949 increased approximately 20% and unit sales showed a higher percentage increase due to larger number of small radios sold, he said.

Costs are at a normal level but devaluation of the Canadian dollar will put up the cost of molded cabinets imported from the United States. Imports from the United States only amount to about 15% of the company's supplies, most of which are purchased in Canada, he stated.

There is a normal and increasing demand for all types of radio sets manufactured by the company, the official states. There is an unusual demand for the company's small personal radio sets and a good demand for its television sets. The market for television sets is improving as the public becomes more television-conscious. At the end of August, 1949, the company reduced the price of its television sets from $599 to $399 per unit.

Several new lines will be added next year to the company's line of radio and television sets, it was announced. These include Jewel radio sets for which the company has Canadian production and selling rights. The company also plans to manufacture coin-operated radio sets for a company which proposes to install them in hotels and public places.

$500,000 Bonds Eastern Light's New Offering

MONTREAL (Staff) — Net income of Eastern Light and Power Co. for first six months this year amounted to $59,498 compared with $115,549 for full year in 1948, it is revealed in the prospectus covering a new issue of $500,000, 4% first mortgage sinking fund and collateral trust series B bonds.

The new bonds are being offered this week by Royal Securities Corp. at 101 and accrued interest. They are dated Oct. 1, 1949 and mature Oct. 1, 1969. Upon completion of the present financing, capitalization outstanding will consist of $1,460,000 first mortgage and collateral trust 4's, $300,000 general mortgage 4's and $600,000 $10 par common stock.

According to the prospectus, average annual consolidated earnings, after depreciation, for the 10½ years ended June 30, 1949, amounted to $193,039. Annual interest charges on all first mortgage and collateral trust bonds (the mortgage for which will be closed at the amount now to be outstanding) will be $58,400.

Eastern Light & Power with its subsidiary, Dominion Utilities Co., serves the city of Sydney, N.S. and all the territory in the eastern part of Cape Breton Island with the exception of the town of Glace Bay. Power is purchased from Seaboard Power Corp., a Dosco subsidiary. Electric energy sold totaled 20.4 million kwh last year against 26.1 million in 1946, 18 million in 1942, 11.8 million in 1939 and 8.4 million in 1936. Meanwhile the number of customers served has increased from 8,700 in 1936 to 14,124 last year.

Proceeds of the new issue will enable company to proceed with contemplated additions to plant and equipment estimated to cost $177,000 from June 30 to Dec. 31, 1949; balance to be used for working capital, prospectus states.

$3,364,766 For Furs Show Gain In Alta.

From Our Own Correspondent

EDMONTON—Alberta's fur production for the first seven months this year was worth $3,364,766, government officials disclosed. This is an increase of 143% over the corresponding period in 1948. Increase in the number of pelts was about 105% of the 1948 figure.

Value of the fish taken in Alberta waters this year was $162,486, a decrease of 53% from the corresponding period in 1948.

Lumber production for seven months this year was $11,966,441 ($13,703,762 in the 1948 period.) There was a four per cent increase in clay products, 54% increase in cement and cement products and a 30% increase in lime to the end of July.

Architect required
by a Chartered Bank
Permanent Employment
APPLY BOX No. 272
THE FINANCIAL POST, TORONTO

CHARTERED ACCOUNTANT REQUIRED
Starting Salary $6,000.00

Large Montreal Industry requires the services of a Chartered Accountant who has had experience in Internal Audit and Systems work. Applicant should not be over 35 and should have at least 5 years' industrial experience since graduating.

Applications should contain full details with respect to education and experience.

Our staff have been advised of this advertisement.

BOX 302, THE FINANCIAL POST, TORONTO

Canadian Municipal Securities To Yield From 3.10% to 4.50%

Security	Rate %	Maturity	Price	Yield %
City of Montreal, P.Q.	3	1965	96.00	3.32
City of Quebec, P.Q.	3¼	1961	98.75	3.38
City of Fredericton, N.B. Gtd. Victoria Public Hospital	3½	1965	101.00	3.42
City of Salmon Arm, B.C.	4	1950-69	102.16	3.75
City of Port Alberni, B.C.	3	1950-68	91.41	4.00
Town of Parry Sound, Ont.	3½	1950-69	102.01	3.10
Town of Dartmouth, N.S.	3¼	1961	101.50	3.10
Town of New Glasgow, N.S.	3¼	1959	101.50	3.10
Town of Goderich, Ont.	3¼	1960-69	100.60	3.20
Town of Beauharnois, P.Q.	3¼	1964	98.85	3.35
Town of Nicolet, P.Q.	3½	1964	100.00	3.50
Township of Barton, Ont.	3½	1950-69	102.05	3.10
Township of Kingston, Ont.	3½	1960-69	102.64	3.30
Village of Merrickville, Ont.	3½	1966	100.00	3.50
District of Coquitlam, B.C.	4	1950-69	102.87	3.65
Township of Melfort, Sask.	4½	1950-69	102.25	4.25
Moosomin School District No. 12, Sask.	4½	1950-79	100.00	4.50

We offer these securities as principals. Prices quoted "and accrued interest".

Details of these offerings will be forwarded promptly upon request by mail or telephone.

Wood, Gundy & Company
Limited
Toronto Montreal Winnipeg Vancouver
Ottawa Hamilton London, Ont. Kitchener
Regina Edmonton New Westminster Victoria
New York Halifax London, Eng.

WILL PURCHASE LARGE INDUSTRIAL BUSINESS

This principal has requested us to uncover a suitable business. Will pay from $500,000 to $5,000,000 cash for a well-established, profitable company. Preferably in metals field, but not necessarily.
Preliminary discussion invited, in strict confidence, with our Mr. John J. Burns.
As confidential agents with extensive Canadian, American and English connections, we have many definite principals, with capital ranging to $5,000,000 and more, interested in acquiring a wide variety of industrial and commercial businesses.

W. H. BOSLEY & CO.
28 ADELAIDE ST. W., TORONTO. WA. 1031.

WANT $100,000 + AND PEACE?

A young aggressive man with sales and administrative experience, possessing the best business and bank references, wants to purchase control and gradually assume management of an established, profitable business, preferably in the consumer goods field, worth $100,000 to $750,000.

If you want to take things easier, gradually step down from a top job, and provide for future tax liability, please write

BOX 308, THE FINANCIAL POST, TORONTO

WANTED — SALES MANAGER

An established textile mill manufacturing highest quality ladies' full fashioned hosiery and catering to largest and best retail trade from coast to coast, will accept applications immediately for the position of General Sales Manager.
Preference will be given to applicants known personally to buyers of departmental, dry goods and ladies' specialty stores across Canada.
Applicants should be 40-45 years of age.
Necessary to live in Western Ontario. All applications will be treated with the utmost confidence. Write full particulars to

BOX 307, THE FINANCIAL POST, TORONTO.

BRANCH CONTROLLER

Manufacturing company with several branches in Canada invites applications from suitable candidates for position of branch controller in Ontario. Position requires the exercise of considerable administrative and executive ability as well as technical knowledge. Reply giving qualifications, experience, age, references and salary required to

BOX 306, THE FINANCIAL POST, TORONTO, ONT.

√ Underwriting
√ Investment Service
√ Experience

We offer an underwriting and investment service based upon a quarter century of experience in marketing Canadian government, municipal and corporation securities.

This experience and knowledge is cordially extended both to corporations desiring new capital arrangements and to small and large investors who desire careful attention to their investment requirements.

Communicate with us concerning your financial or investment problems.

McLEOD, YOUNG, WEIR & COMPANY
LIMITED
50 King Street West, Toronto — Telephone: Elgin 0161
276 St. James Street West, Montreal — Telephone: Harbour 4261
Offices at: Toronto, Hamilton, London, Ottawa, Montreal and New York. Correspondents in London, England.
Members of The Investment Dealers' Association of Canada.

Human

Should you appoint this trust company your estate will be placed in the care of an experienced estates officer from the first moment. Your family will deal with one person—just as if you had appointed a private executor—who is readily accessible and with whom they can talk matters over. In addition to the advantages of a personal relationship, your family will enjoy the security of having their estate administered by a permanent organization which has the necessary experience and facilities to handle their affairs efficiently. We invite your inquiries.

THE
TORONTO GENERAL TRUSTS
CORPORATION

Head Office: 253 Bay Street, Toronto

ADMINISTERING ASSETS OF $300,000,000

CANADA SAVINGS BONDS

Fourth Series

We will be glad to look after your order for Canada Savings Bonds. They are safe, pay 2¾% interest and are readily cashable.

Mills, Spence & Co.
Limited
25 KING ST. WEST, TORONTO
EL. 1341

MONTREAL WINNIPEG

MANUFACTURING or INDUSTRIAL BUSINESS WANTED

Clients interested in purchasing business with annual sales of $150,000.00 or more. Replies strictly confidential.

CHARTERED TRUST COMPANY
34 King Street West, Toronto WA. 7681

EXECUTIVE AVAILABLE

Thoroughly competent executive with considerable experience at managerial level, desires to make a change, able administrator and organizer, capable of assuming responsibility, and dealing with matters of administration, plant operation and production, personnel supervision, and matters pertaining to sales development. Executive post offering stability and permanent future with responsible concern desired. Age middle forties, married, excellent credentials, all replies will be treated in strict confidence.

BOX 300, THE FINANCIAL POST, TORONTO

THE ONTARIO LOAN AND DEBENTURE COMPANY
LONDON, ONTARIO

Since 1870 this Company has played an important part in the financial activities of South-Western Ontario
Assets over Twenty-Five Million Dollars

ONTARIO LOAN 5 YEAR ACCUMULATIVE DEBENTURES
ARE A POPULAR FORM OF INVESTMENT YIELDING

3% PER ANNUM

INTEREST COMPOUNDED HALF YEARLY

$ 500.00 invested now becomes in 5 years $ 580.27
1,000.00 " " " " " " 1,160.54
5,000.00 " " " " " " 5,802.70
OR
$ 430.83 invested now becomes in 5 years $ 500.00
861.67 " " " " " " 1,000.00
4,308.35 " " " " " " 5,000.00
and other amounts in proportion

The Company invites you to invest and for further information and folders to address them at London, Ontario.

CANADA CEMENT
...A Study in Progres

Canada Cement Company accounts for about 80% of Canada's total cement production. In 40 years operations (including those of the predecessor company) there has never been an operating loss. Since 1927 the Company has effected a total debt reduction of $20,220,000 and has spent more than $23,000,000 on plants and equipment. With record earnings last year and a substantial backlog of orders on hand, the position of the common stock today is extremely interesting.

We have prepared an informative study of Canada Cement Company. Send for a copy; it will be furnished gladly on request.

Hugh Mackay & Company
Montreal Stock Exchange
Members: Montreal Curb Market
Vancouver Stock Exchange
MONTREAL

Montreal • Halifax • Saint John • Ottawa • Cornwall
Toronto • Vancouver • London, Eng.

MANAGED INVESTMENT

Devaluation Added Reason For Watching U. S. Market

Investors should follow with increasing care the business trend across the border since devaluation makes Canada even more dependent than before on U. S. markets, Compton's investment manager says. In the longer view, Canada and the investor might profit from a mild shakeout of prices and inventories, since this would place us in a better competitive position with other overseas countries which have devalued farther than we have.

Compton's Manager Says:

As a result of the latest widespread devaluation of currencies, Canada has now become even more dependent than before on the United States' market for the sale of her products. It is therefore imperative that investors here should watch with greater care than before, the trend of business conditions across the border.

Since we last reported on the state of Mr. Compton's account, the United States' economy is being affected with increasing severity by the coal and steel strikes.

U. S. Investors Optimistic

In spite of the cessation of operations in the primary steel industry and in part of the coal industry, investors across the Border are apparently optimistic regarding an early settlement of the disputes. As a result of this optimism the Dow-Jones Index of Industrial Stocks, during week ended Oct. 15, rose to a new high since November last. The Canadian stock market also moved upwards.

It should be noted that the relatively mild recession of business south of the Border since the beginning of 1949 has not yet been duplicated in Canada, where the volume of transactions still is growing. Furthermore, even in the United States (where enough pessimism has been preached of late years to produce not one but several depressions) there are now signs of renewed activity.

For instance, manufacturers' sales in the United States advanced sharply during August (the latest figure available) to the highest volume since March of this year. For the sixth successive month the book value of manufacturers' inventories was reduced. At the end of August the inventories were $550 millions less than at the end of the previous month. The number of unemployed persons in the United States declined during September for the second successive month.

While it is frequently suggested that Canada is due for a recession, as a reflex of recent United States conditions, two facts may well cancel or defer a downward movement of business conditions here. The first is our own devaluation which cannot but stimulate, in some degree, those of our export industries which supply the United States. The second is the continuing high level of our export trade generally, which usually carries with it a correspondingly high level of national income during the following 12 months.

Our Export Trade

Canada's export trade has held up well so far this year, but with a noticeable shift in its direction. Britain has this year bought less from us. In spite of the business recession south of the Border, however, the States has been purchasing our goods in growing quantities, and is taking nearly 50% of our total exports at the present time.

Exports of Canadian produce to the United States for the first eight months of this year are about $31 millions higher than for the same period of 1948. The principal gains are shown in exports of agricultural and vegetable products, nonferrous metals, iron and its products, and in animal and animal products.

In the longer view of the investor's interest, he, and this country, might gain on balance from a mild shakeout of prices and inventories here since this would place Canada in a better competitive position with other overseas countries which have devalued much farther than we have.

71,122 Units in 9 Months Ford Output Augurs Well

Indication that earnings of Ford Motor Co. of Canada may be higher in 1949 than in 1948 was seen in production figures for the first nine months of 1949 issued last week. Year's result will, of course, be affected by the extent to which operations may be curtailed as result of the U. S. steel and coal strikes. No interim earnings statement is issued by the company.

Combined export and domestic production in September of the company totaled 11,181 passenger cars and trucks, highest in any month since 1929. This was achieved on a 40-hour week, whereas previous high marks were established at the time when the plants were operating on a 48-hour week.

During September, 1949, a total of 9,468 vehicles (6,698 passenger cars, and 2,770 trucks) were manufactured for the Canadian market, the highest since May, 1926. Production for export in September, 1949, totaled 1,713 units (678 cars, and 1,035 trucks).

Output for domestic market the first nine months of 1949 totaled 71,122 vehicles which is more than in any previous full year in company's history.

Production will be affected by the end of October and may be seriously curtailed by the end of November unless the steel strike in the U. S. is settled in the meantime, the company states. The company is now using steel which it had stored against this emergency. This stock will be fairly rapidly exhausted after the end of the month if the strike continues, it is stated. If some of Ford's supplier plants should be hit by the steel strike before the end of this month, Ford's production might be curtailed sooner.

Coal supplies now on Ford's dock will be sufficient for some time to come but if strikes in the United States mines are prolonged beyond the close of the Great Lakes navigation, it will be necessary to bring in additional shipments by rail to meet winter requirements.

Just how these developments may affect earnings remains to be seen. In the whole year 1948 Ford of Canada earned the equivalent of $4.80 common share stock.

Librairie Beauchemin to Offer First Mortgage Trust Bonds

MONTREAL (Staff) — New issue is expected shortly of $2.5 millions first mortgage collateral trust bonds of Librairie Beauchemin Ltée. by Credit Interprovincial Ltée., The Post understands.

The new bonds will consist of $200,000 4% serial bonds due $40,000 annually 1950-54; $800,000 4½% bonds, $400,000 due $80,000 annually 1955-59 and $400,000 due $100,000 annually 1960-63; and $1.5 millions 5% bonds due 1964.

Librairie Beauchemin Ltée. recently purchased control of Dupuis Freres Ltée., Montreal department store and mail order house. Librairie Beauchemin itself has been purchased by Raymond Dupuis, president of Dupuis Freres, who now holds complete control of the Beauchemin company.

The company is said to be the largest publisher of French books in North America. The business was founded in 1842, has been operating under its present name since 1902. It does a large business in the sale of books and stationery, printing, bookbinding and book publishing. Its purchase of Dupuis Freres will not involve any change in the management of the latter company, it is stated.

Proceeds of the new issue will be used to convert into long term indebtedness a short term note now outstanding as a result of the purchase of Dupuis Freres, it is understood.

Power Firm Dropping Charter Paying Off All Obligations

MONTREAL (Staff) — Shareholders of Canadian Light & Power Co. will meet Oct. 26 to approve distribution of company's assets pro rata among its shareholders, after providing for debts and obligations, and to approve applications for leave to surrender its charter.

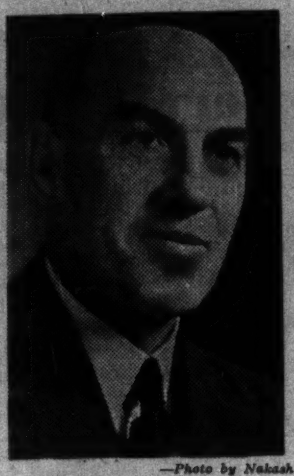
Company plans to make immediate distribution, if approved, of $20 per share, according to a letter to shareholders from James Wilson, president. Final distribution will be made upon settlement of company's tax obligations.

Shareholders' equity at Sept. 30 is estimated at $844,564 or $25.40 per share on the 33,248 outstanding shares.

Under the terms of sale approved in June of Canadian Light & Power properties and rights to Quebec Hydro-Electric Commission, Quebec Hydro provided funds to pay off $2,519,700 bonds redeemed July 1. Company has transferred to the commission its St. Timothee power plant, other properties.

Lease of the old Beauharnois canal, which company rented for $14,000 annually plus maintenance, has been cancelled by the Federal government in consideration of $80,000 payment. Lease was to have run till 1970.

Pensions have been provided for company employees who had reached an age where they should receive compensation for their long years of service, the letter stated.



—Photo by Nakash.

T. H. ATKINSON

has been appointed general manager of the Royal Bank of Canada.

Huron & Erie Adds New Firms

An agreement has been made whereby The Huron & Erie Mortgage Corp. will purchase the assets and business of the Guelph & Ontario Investment & Savings Society for $2,273,046. An agreement has also been reached covering sale of assets and business of The Guelph Trust Co. to The Canada Trust Co. for $756,310; both of these amounts being subject to certain adjustments.

Shareholder meetings to ratify above sales will be held Nov. 22, 1949. Prices are subject to upward adjustment as may be made upon determination of the respective rights of the fully paid and partly paid shares of The Guelph Trust Co.

Upon distribution of proceeds of sale, each shareholder of Guelph & Ontario will receive the sum of $117.75 for each share held and each shareholder of The Guelph Trust Co. will receive $105.40 for each fully paid share and $40.56 for each partly paid share.

The proposed transactions will provide a further opportunity for enlarging the scope of activity of the Huron & Erie and Canada Trust companies, President and General Manager Morley Aylesworth stated.

The manager of the two Guelph companies, H. L. Benallick, who has been associated with the companies for many years, will continue to act as manager in Guelph for both The Huron & Erie and The Canada Trust company, and the boards of directors of the local companies will act as local advisory boards for the purchasing companies. Staffs of the Guelph companies will be retained in their present capacities and same general policies will be followed.

The Guelph & Ontario was incorporated in 1876 and the trust company in 1917 and the business of these companies has steadily increased in Guelph and throughout the surrounding districts.

Insurance Sales Continue Up

Sales of new ordinary life insurance in August continued upward at $89.5 millions. This showed an increase of over 6.6% over the same month last year. Increases were shown by British Columbia, Alberta, Saskatchewan, Ontario, Quebec, and Newfoundland. Total sales for the first eight months of 1949 were $826 millions, almost 5% more than in the same period of 1948.

The figures are for new ordinary insurance, exclusive of revivals, increases, group, industrial, etc., and are released by the Canadian Life Insurance Officers Association.

SALES OF NEW ORDINARY LIFE INSURANCE IN CANADA
Sales in August
000's of $

	1949	1948
British Columbia	8,385	6,957
Alberta	6,545	5,621
Saskatchewan	3,627	3,347
Manitoba	4,871	4,885
Ontario	36,061	34,604
Quebec	23,617	21,822
New Brunswick	2,248	2,527
Nova Scotia	3,197	3,266
Prince Edward Island	367	468
Newfoundland	647	216
Total	89,565	84,013

Sales by Months
000's of $

	1949	1948
January	106,621	99,037
February	99,239	101,483
March	104,662	104,653
April	102,917	102,810
May	106,831	101,010
June	112,731	101,667
July	103,496	93,809
August	89,565	84,013
September	......	84,726
October	......	100,887
November	......	120,408
December	......	113,317
	826,062	1,207,820

World Bank Aim to Aid Underdeveloped Areas

The "reconstruction" phase of the operations of the International Bank for Reconstruction & Development is now largely completed and the bank's lending activities will be centered upon the "development" of foreign areas hereafter, officials stated in Washington last week.

The Bank's current policy is to concentrate on making moderate sized loans for particular projects, President Eugene R. Black and Vice-President Robert L. Garner stated.

"As we see it the role of the bank by and large is to make project loans primarily in under-developed areas," Mr. Garner stated. "These projects will be those of a key nature that will have considerable influence on development."

Most of the loans contemplated would probably be made directly to governments or government sponsored groups and projects are likely to consist of power plants, transportation and "other general services," Mr. Garner added.

Ask Beauharn's Probe Report Enter Hearings

MONTREAL (Staff)—The 1931 Beauharnois investigation has entered into the current arbitration board hearings here to determine the compensation to be paid Beauharnois Light, Heat & Power Co. shareholders as a result of the 1944 expropriation.

Quebec Hydro counsel Edouard Masson last week asked that the report of the Federal Parliamentary committee which made the investigation be filed as evidence in the present hearing. Shareholders' counsel L. A. Forsyth objected to such a procedure. Judge Thomas Tremblay, chairman of the arbitration board, ruled that the report could be filed under reserve of the objection; board would rule later on its acceptability.

Objection was also raised by shareholders' counsel to evidence given by C. A. Ellis, chief accountant of Provincial Electricity Board, who held that only $64 millions of the $79.5 millions shown on the books as tangible assets, would be acceptable as such under the terms of the expropriation legislation. The remainder, he claimed, did not represent assets "usefully and actually employed." Shareholders' counsel objected on the grounds that witness was giving an opinion.

Recently shareholders upped their claims for compensation by $18 millions to $63,972,719 from previous $45,824,496. Among the additions to the original claim was an $11 million item for "going value" which counsel defined as "that item of value which exists in a property, in addition to the physical items, when the physical property has been put to work or is ready to be put to work."

Hearings are continuing.

STOCK MARKET QUOTATIONS

The most comprehensive listing of Canadian security prices available appears weekly in The Financial Post. Avoid surprise. Be market wise.

BY MAIL ONLY $5 A YEAR.

We recommend,

CANADA SAVINGS BONDS

2¾% INTEREST

DUE NOVEMBER 1, 1959

MAY BE REDEEMED AT FULL FACE VALUE AT ANY TIME

BELL, GOUINLOCK & COMPANY
LIMITED
ESTABLISHED 1920

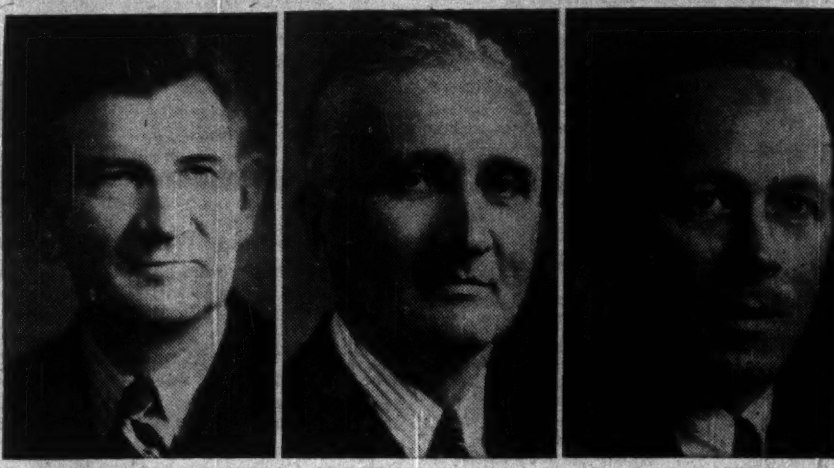
MONTREAL TORONTO WINNIPEG

TOP EXECUTIVE WANTED

Exceptional opportunity for man presently associated with a large manufacturer, in a top management capacity, whose age and experience will fit him to assume management of a well established electrical manufacturing company. Familiarity with electrical field desirable, but not essential. Executive ability and initiative important. Salary commensurate with qualifications. Members of our organization know of this advertisement. Your reply held in absolute confidence.

WRITE BOX 304
THE FINANCIAL POST, TORONTO

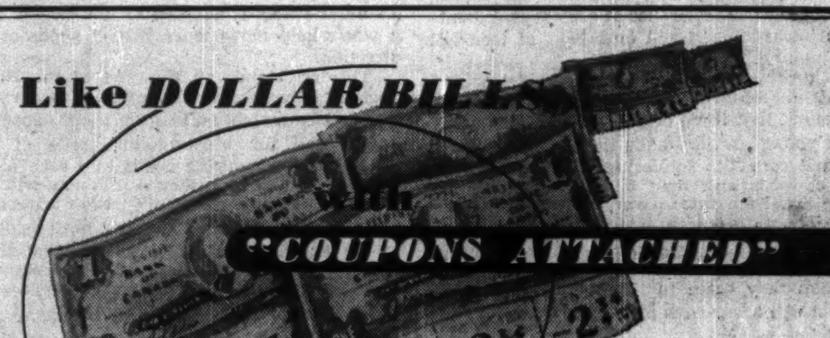
Canada Life Executive Promotions



W. J. BEATTIE — J. G. BEATTY, F.I.A., F.S.A. — T. H. GOOCH

Announcement has been made by The Canada Life Assurance Company of the appointment of three Vice-Presidents. W. J. Beattie, formerly Assistant General Manager, becomes a Vice-President; J. G. Beatty, formerly Chief Actuary, has been named Vice-President and Chief Actuary; T. H. Gooch, formerly Director of Agencies, is now Vice-President in charge of Agencies.

Like *DOLLAR BILLS* with "COUPONS ATTACHED"



That describes Canada Savings Bonds—but it doesn't tell all the story! Canada Savings Bonds are guaranteed as to their repayment by the Government of Canada, just like dollar bills are. They pay 2¾% on your investment—while "idle" dollar bills pay nothing.

You can cash Canada Savings Bonds, if you have to, and get your money back in full at any time, with accrued interest at the rate of 2¾%.

What is more, they are registered in your name. If lost, stolen or destroyed, they will be replaced. Dollar bills cannot be.

Canada Savings Bonds are issued in amounts to meet the convenience of every investor—$50, $100, $500 and $1,000. Each member of your family may purchase up to the $1,000 limit.

Send your order to us and we will attend to all the details for you.

NESBITT, THOMSON & COMPANY,
LIMITED
38 King Street West, Toronto

Happy Hogs—Sad Taxpayers

There will be some happy hogs in the United States this year. In addition to their regular rations of corn and slops they are going to be fed fresh grapes and raisins, possibly some grape juice and wine. It's all a part of the great farm stabilization scheme, whereby swollen wartime production and prices are maintained regardless of demand and the taxpayer.

For the last three years the grape industry of California has been heading into trouble. Production has been running ahead of demand and great surpluses of fresh fruit, raisins and wine have been accumulating. Uncle Sam has been urging growers to be sensible and reduce production. But the abnormally high floor prices the Government guarantees has proved a much stronger attraction and growers have kept right on planting more grapes. After all why should they worry about markets, so long as the taxpayer foots all the bills.

This year's big grape crop, however, strained things pretty badly. Even when an expanded ECA had been added to normal domestic demand there were going to be many thousand tons of tons left over. Of course nobody even suggested the old-fashioned remedy of reducing prices to gain more customers. Instead they called on the hogs.

Grape and grape products are going to be fed to porkers. For every ton the grower disposes of in this or any other "non-competitive way" he will receive $80 from the U. S. Government which is just another name for the U. S. taxpayer. The pig, being notoriously catholic in his taste, will probably appreciate the scheme, the taxpayer may not.

In this floor-priced subsidized farming, thank goodness, we have been a little more cautious in Canada. But we are not entirely immune. While customers turn to cheaper margarine or do without, government-bought butter is piling up rapidly in cold storage. Before the winter sets in, the same thing may well happen with apples and potatoes.

Mr. Gardiner had better be careful.

Even if the taxpayers do not object he may find that butter, apples and potatoes make mighty poor hog feed.

We Would Both Lose

Some thoughtless Canadians have condemned the recent action of Ottawa in removing the remaining restrictions on imports of fruits and vegetables from the United States. So long as we are short of American dollars, these people argue, why not continue the ban?

Those who talk that way forget that there is another side to this picture. They overlook the fact that the restrictions imposed two years ago hurt important American interests.

Fortunately, however, we had many good friends in the United States. They explained the seriousness of our position in respect to American dollars and they also repeated the assurance of Ottawa that the move was only of a temporary nature to be rescinded when the crisis had passed.

But there was embarrassment and resentment nevertheless and particularly when we made it plain that we expected the United States to buy more from us and also that we should share in Washington's ECA purchasing.

Especially embarrassed was Paul G. Hoffman, administrator of ECA. Fruit and vegetable growers in the United States and other groups hit by our ban were blunt. "Why should the U. S. taxpayers furnish ECA money to be spent on Canadian products for export to Europe, when Canadians ban our goods?" they asked.

Fortunately for Canada, Mr. Hoffman made a good job of answering that difficult question. Doing so staved off some serious retaliation that would certainly not have helped our attempts to balance trading with the United States. Now Mr. Hoffman heaves a sigh of relief and sends his personal thanks to Ottawa "for this further evidence of co-operation."

As pointed out by The Financial Post and others at the time of our dollar crisis two years ago, in the long run there is only one satisfactory way of balancing our trade with the United States. That is to build up our exports rather than cutting down our imports. In that way nobody is hurt and we both gain.

When the situation became critical two years ago, of course, we were forced to curtail, but to make this a permanent policy would have been courting serious trouble. Eventually in spite of Mr. Hoffman and other good friends in the United States, our restrictions would have been resented and retaliation would follow. In the end exports as well as imports would dwindle and both countries would suffer.

It's to be hoped that this trade situation will continue to improve rapidly and that soon all abnormal restrictions on American imports and travel can be lifted and forgotten. Only by doing this can we hope to continue boosting our sales to the United States.

No Good For Soldiers

In a recent "Packsack" column Gregory Clark effectively deals with the myth that the bad boys of today make the best soldiers of tomorrow. It is that misguided view, he thinks, that explains the tolerance of certain sentimentalists toward the recent outbreaks of teen-age lawbreaking.

An army officer in the first world war and an official observer in the second, Mr. Clark points out that three of the commonest traits of these young rowdies make them total washouts when it comes to soldiering. They are bullies, and cowards and they have no capacity for discipline. In a future war, they would probably join up promptly enough but they would spend most of their military lives in the "clink."

When they come to think it over, a lot of people will agree with Mr. Clark.

Don't Expect Too Much

Whether the reputation is justified or not, it is commonly asserted that price-fixing, marketing arrangements and other practices "in restraint of trade" are much more common in Britain than they are in Canada and the United States.

On this continent, at least, businessmen talk much about their ardent belief in free competition, whereas the Britisher quite often admits schemes to regulate competition.

In any case, Britain has just got herself a new Monopolies Commission. As a first job it has been ordered to look into six trades, electric lamps, dental equipment, electric wiring, match-making machinery, matches and drainage goods.

These industries were selected for inquiry first merely because they are a cross-section of British production in which restrictive practices are alleged to be dominant.

Sponsors of the Monopolies Commission explain that if they nab and condemn, say, the lamp makers, it is their hope that other manufacturers, wholesalers and retailers will, in the words of one commentator "march down the sawdust trail and, instead of searching the public's pocket, would search their hearts."

As with all "trust-busting" schemes, we warn the British hopefuls not to expect too much.

The British statute does provide that any restrictive trade practice may be declared unlawful, and the government may require that a price-ring be abolished.

But no criminal proceedings may be taken against an offender.

An offender who continues what has been declared a malpractice is not penalized at law for so doing.

Furthermore, the Monopolies Commission looks only at industries to which it is directed by the Board of Trade ("Department of Trade and Commerce").

Then, it makes its report direct to the Board of Trade which makes the decision whether or not to take action.

The B of T may then, by a highly complex process issue an order against the offenders.

This order is then laid before the two Houses of Parliament, both of which must approve before the order is valid.

Then the cartel may say, we have meanwhile mended our ways and the charges are no longer valid. Then all the B of T can do is request the Monopolies Commission to start the investigation all over again.

All of which doesn't, to our mind, add up to a great offensive against cartelism. This is, after all, not very surprising in view of the fact that Socialists and Communists are the super-cartelists. They merely want more and bigger cartels.

Cheapening Ourselves

Nova Scotia tourist authorities are to be commended for discouraging the flaunting of American flags by resorts and other places catering to visitors from the United States. This sort of thing is often resented by the tourists themselves and it certainly does nothing to boost respect for Canada.

Americans coming into Canada expect to find something different from their own country, otherwise they would spend their vacations at home. We can make these people feel at home and welcome here without trying to give them a cheap imitation of the American scene.

Our tourist authorities might go further and discourage a lot of other imported practices, too like the "Coney Island" atmospheres so many Canadian places try to create during the tourist season.

This sort of thing only cheapens us in the eyes of these visitors. They will think that we are ashamed of ourselves and our ways and if we keep it up they will be right in that conclusion.

What's Wrong With Competition?

Britain would resent any extensive advertising of Canadian foods in the United Kingdom, Agriculture Minister Gardiner stated in the House of Commons. The British Government, Mr. Gardiner explained, is buying food from all over the world and it might be embarrassed if consumers, as a result of advertising, started to demand produce from any particular country.

On this account, Mr. Gardiner added, the Dominion Government had decided it would be inadvisable to put on any definite program of advertising in Britain just now.

In this particular case, and at this time, perhaps Mr. Gardiner and his colleagues have come to a wise decision. But it is not going to help us sell more wheat, bacon, cheese or any other surplus food in Britain. And certainly if a similar policy is adopted by the British here, it won't help move more British goods in this direction.

This reluctance on the part of the British Socialist Government to encourage modern and aggressive merchandising methods does not augur well for boosting the trade of both countries. Just pouring goods into each other's country and hoping that consumers will buy is not going to be enough. Through advertising and other means, public attention must be drawn to the excellence of these goods. That is the only permanent way to create new demand.

If Britain expects to sell more cars, textiles, cutlery, china and other lines in Canada, the British exporter will have to get out and advertise and we will have to do the same about our goods in Britain. If in doing so we tramp on the toes of less-efficient producers and cause some embarrassment to state buying bureaucrats, what of it? After all good healthy competition is the life and the hope of trade.

Our Education Dollar

With the revelation by Ontario's Premier Frost that 25 cents of every dollar of provincial expenditure now goes on education, the opinion of progressive thinkers that our secondary school curriculum is not entirely adequate for present needs gains weight.

Industrial leaders have more than once expressed dissatisfaction with the educational qualifications of new employees. The main criticism seemed to be that they lacked a sense of responsibility and an ability to think clearly and independently.

Employers feel that boys and girls should have more education, but that the essential accent throughout their entire school career should be placed on the development of a sense of responsibility and an appreciation of the necessity of high standards of performance.

This does not mean that technical education should be stepped up at the expense of general education. In fact there is a danger of confusing training with education.

What is wanted is some course of learning that will persuade students to remain longer in school. Only 22 children out of every 100 starting school in Canada ever finish high school and only three graduate from college.

The province is doing its share in providing money and facilities for education. But is the curriculum good enough to give our students a balanced view of living or is it due for an overhaul?

Napier Moore's Scratch Pad

AMONG THE BUSINESSMEN we know, Donald Gordon's ascent to CNR's presidency has caused more lively reminiscing than any appointment in a long time. Any question as to how Gordon will get along with railwaymen, popularly supposed to be a rugged lot, is immediately answered with an avalanche of stories concerning his administration of Wartime Prices and Trade Board, often referred to as "the toughest job in the world."

A former WPTB colleague of the brawny Scot recalls the case of an irate delegation which waited on Gordon during the war days. Its members, mad clean through over some ruling, were ready to raise the roof. Gordon stroke into the room, sniffed the hostile atmosphere, smiled and said, "Gentlemen, I must warn you that in Ottawa s.o.b. is a term of endearment." The room rocked with laughter, tension was broken and the meeting ended in the utmost amicability—Gordon not having budged one inch from his ruling.

If Gordon can be tough he also is fair; never takes anything for granted; never accepts a situation on its face value. Byrne Hope Sanders, editor of Chatelaine, who served with him as head of WPTB's Consumer Branch, gave us this evidence. She said that in Ottawa she discovered that a woman doing a minor clerical job in her department was going over to a nearby tavern and selling her ration coupons for beer money. The police had the goods on her. Miss Sanders reported this to Gordon, stating that the offender was going to be fired. Gordon, for whom it was a frantically busy day, said, "Hold on a minute. There must be a reason for this. Let's find out what it is." He summoned the women to his office, talked with her gently, learned that she had been trying to drown despair caused by her husband's loss of his job. Gordon promptly straightened out two lives. He got the husband another job.

Our own contribution to Gordon lore is that off duty he loves to sing. He has a rich baritone, delights in Scottish ballads. Moreover, he can accompany himself on the accordion.

• • •

LONGEST UNBROKEN SENTENCE we have ever seen is in an advertisement published by Charles Daley as Ontario's Minister of Labor. It defines the boundaries of the Painting and Decorating Industry Toronto Zone. There are 619 words before you come to a period.

• • •

WITH R. LEIGHTON FOSTER, K.C., general counsel of the Canadian Life Insurance Officers Association, we were swapping stories about the public figures of old. Foster unwound one about the late Lord Bennett, when, as "R.B." he was Prime Minister of Canada.

During his 12 years as Law Clerk and Superintendent of Insurance for the Ontario government, Foster accompanied ministers to the Dominion-Provincial conferences which were held frequently in the 20's and early 30's. Recalling the 1930 conference, he said that Mr. Bennett, as P.M., sat at the head of a large U-shaped table set up in the Railway Committee Room, flanked by his ministers, the provincial premiers and their aides sat at the side. Premier Taschereau of Quebec sat at the top corner at Bennett's left.

In the course of a long speech Mr. Bennett was defending the position he had taken as Opposition Leader in the previous parliament with reference to the gold clause. Mr. Taschereau didn't seem to be following him. His face was buried behind a newspaper. This inattention bothered Mr. Bennett to a point where he resorted to an experienced public speaker's stratagem. He addressed a rhetorical question to Mr. Taschereau—"And I say to you, Mr. Taschereau, I say to you, what would you have done if you had been Leader of His Majesty's Opposition at the time.

Then he paused. Foster said you could have heard a pin drop while Mr. Bennett waited.

Slowly Mr. Taschereau lowered his paper. He half-rose in his seat and, with a little smile on his face, said, "I'm sorry, Mr. Prime Minister, I don't know. I never was in Opposition."

Foster said the quiet was broken by the loudest applause he ever heard at any conference.

• • •

WE HAVE NO ILLUSIONS LEFT—particularly about elephants. Many years ago, Courtney Reilly Cooper, the writer, who once travelled with a circus, told us confidentially that elephants don't have long memories. Now a fellow named John Hunter, a game control officer from East Africa, says, "If anyone tells you that elephants sleep in the daytime standing up, you tell 'em they sleep on their sides at night—and snore to beat the band. I've seen 'em and heard 'em."

What IS there left to believe in?

Stop Me If—

Husband: "I've got to discharge that chauffeur of mine—he's nearly killed me four times."

Wife: "Oh, give him another chance."

• • •

When the name of the plaintiff was called out in court, much to everyone's amazement, he stood up in the jury-box.

"What are you doing there?" snapped the clerk.

"I was called to serve on the jury," was the meek reply.

"But you must have known you couldn't sit on a jury and try your own case."

"I suppose not," admitted the plaintiff ruefully, "I did think it was a bit of luck."

Cartoon by Grassick.

JUST ONE OF THE TOUGH PROBLEMS

Post Scripts

Junior Partner Moves Up

E. Norman Smith, the new president of Ottawa Journal Publishing Co. is back at his desk after a quick, turn-around trip to Britain the other day.

MR. SMITH

This brief "refresher" of salt air, business and pleasure gave him just three days and four nights in Britain. Enough time, he says, to revisit his old Fleet Street haunts; look up a few friends, and reflect on the war-inflicted scars of a city he hadn't seen for nearly 19 years.

Now he's back at work directing one of the most successful and respected of Canadian daily newspapers — the Ottawa Journal.

Norman Smith has been the man behind the scenes at the Journal for over 30 years. More than that: he's been an active newspaperman for 61 years; practicing each day his credo "we're all reporters or we are nothing."

Associates and acquaintances can't believe that Smith is now 78 years old. He has the bearing, the energy and the lively interests of a man at least a decade younger. Also, there's the dominating fact of his association with the late P. D. Ross.

Ross and Smith had been partners in the newspaper business in Ottawa for over 32 years when Mr. Ross died this summer. "P. D." was 91 when his death ended this happy partnership. So it's hard to think of the younger partner as an old man, alongside this kind of longevity. Smith has been vice-president of the Journal since 1916. Now that he's president, he still prefers the small compact office where he's worked all these years; uses the late president's more spacious quarters as a board room.

Ernest Norman Smith was born in Manchester in 1871; spent most of his boyhood in Croydon, where his father was in the retail dry goods business. At 17, he headed for Fleet Street and a newspaper career. The fact that his first job was second assistant to the manager of the British Press Association had much to do with his enthusiasm for the institution we now call the "Canadian Press." Young Smith got an early appreciation of the need and importance of co-operative news handling which he never forgot. Many years later he put it to good use in steering CP through its crucial formative years.

There was nothing slipshod about a Fleet Street training in the '90's. Shorthand, a solid grounding in the English language and meticulous habits of work were lessons which have lasted through more than half a century. As a junior reporter he recorded the speeches of Gladstone, Parnell, Morley; worked in the famous Wine Office Court near the Cheshire Cheese Inn.

Smith soon got an urge to travel. Opportunities came on the Sinapore Straits Times and the Calcutta Englishman. But his father said: "If you must travel, go west." He got a chance to cover the Chicago World's Fair in 1893. Once he had sent his despatches he struck out on his own—came to Canada the following year to visit an uncle. He got married, and also a job on the old Toronto World.

In 1895, he was editor-reporter on the Woodstock Sentinel-Review. He learned a lot at this job about municipal and rural life in a typical Canadian town.

For a few years he returned to Toronto, first on the Mail and Empire, then the Globe. But in December, 1905, he got a telegram from the Ottawa Free Press offering him a proposition as editor and general manager. Three days later he was at work at his new job in the nation's capital.

The paper was run down, had small circulation. The owners offered it to Smith on easy terms. He accepted and achieved his ambition to build it into health and strength. Within a decade, P. D. Ross offered amalgamation with the Journal—a proposition made especially attractive by the fact that Union government salved the political differences of Ross the Conservative and Smith the Liberal.

Except at election time, the Journal prided itself on being "independent Conservative." Now that Mr. Ross has gone, it won't likely be necessary for Mr. Smith to slip out of town during election campaigns when violent partisanship made the office uncomfortable for one of strong Liberal instincts.

Its not likely the Journal will be as outspokenly partisan in future. But with men like Gratton O'Leary at his right hand, there'll be nothing wishy-washy about what the Journal has to say on politics or anything else.

Outside the Journal, Norman Smith's chief interests have been Canadian Press and the Ottawa Civic Hospital.

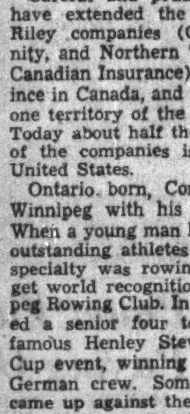
His contributions to Canadian journalism have been almost entirely anonymous, which seems in character. His great pride now, is that some of the best columns in his paper are signed "I. N. S."

Those are his son's initials—Irving Norman Smith—presently an associate editor and heir-apparent to the business.

• • •

50 Years' Service

As he looks back on 50 years' association with the business of which he is now directing head, Conrad Stephenson Riley, dean of Winnipeg's active businessmen, may say with Ulysses "I am a part of all that I have seen." Four years after the company had been founded by his father in 1895, young Riley entered the office of the Canadian Insurance Co. as a clerk. In 1942 he became president and this fall he celebrates 50 years of continuous service.



MR. RILEY

Careful and prudent management have extended the business of the Riley companies (Canadian Indemnity, and Northern Trusts as well as Canadian Insurance) into every province in Canada, and into 12 states and one territory of the American Union. Today about half the business of one of the companies is written in the United States.

Ontario born, Con Riley came to Winnipeg with his parents in 1884. When a young man he was one of the outstanding athletes of his day. His specialty was rowing. He helped to get world recognition for the Winnipeg Rowing Club. In 1910 Riley stroked a senior four to victory in the famous Henley Stewards' Challenge Cup event, winning over a powerful German crew. Some years later he came up against the same opposition when he commanded an artillery brigade in the first world war.

In the field of sport Con Riley was always quiet and reserved, capable of quick decision and cool and dispassionate judgment. The same traits have been characteristic of his business activities. In business and in public welfare service his advice has been frequently sought. He is chairman of the Canadian Board of the Hudson's Bay Co., a director of the Winnipeg Electric Co., the Royal Bank of Canada, the Montreal Trusts Co., the Great West Life Assurance Co. and the Beaver Lumber Co., He is a former president and life governor of the Winnipeg General Hospital Board.

The Rileys have a good old-fashioned family, six sons and two daughters.

What Others Are Saying

Editorial of the Week

Need Not Be a Specialist

Ottawa Journal

Mr. Donald Gordon's appointment as head of the Canadian National Railways is being questioned on two grounds: (1) that it violates the theory of promotion by seniority, and (2) that Mr. Gordon is not a railway man.

The theory of seniority is, on the whole, a good one, but as in the case of all theories there are times when it may not be practicable. Men long asociated with an enterprise may become specialists in some phase of its operation yet may not be qualified temperamentally or for some other reason, to take charge of the operation as a whole. It may be that an enterprise may find itself in a position where, although rich in specialists and technicians, it is without somebody of over-all organizing ability, and therefore finds it desirable to seek an individual outside.

This last happens again and again in big enterprises. We think that as in the case of Donald Gordon and the Canadian National it will go on happening.

Mr. Donald Gordon, as President of the Canadian National, will not need to know all about locomotives, or about how much it costs to carry a basket of peaches from the Okanagan Valley to Montreal, or any other of the multitude of details involved in the day-to-day running of a railway. Mr. Gordon's job will be to leave such things to his vice-presidents, to his operators and technicians, to specialists who have been trained in particular aspects of railroading.

Mr. Gordon's job will be to see that such officers are held responsible for their departments, to see that they get results; to fashion and deal with long-term policies, with financial policies, and with the morale and spirit of the over-all organization he is directing.

From what Mr. Gordon has done in other varied and complicated fields, from the vigor and organizing ability he has shown in the service of the Government, we think he can be relied upon to get such results—and certainly relied upon to try hard for them.

Other People's Views

FOUNDATION of the community and the nation is the home points out the **Edmonton Journal** "Homes that place spiritual values first are strong homes; and from such come the real strength of the nation."

HANSARD should have more readers agrees the **Maritime Merchant** but "few of us have the time or the patience to wallow through the innumerable and generally mediocre speeches of Parliamentarians."

MR. GORDON wears no man's collar, states the **London Free Press** "and as head of the railway and their allied services this big 47-year-old Scot, can be depended upon to follow policies which he will feel be best for the Canadian National and the country."

SOIL FERTILITY won't last forever warns the **Lethbridge Herald** "The time has come in our Prairie agriculture when acreage sown in grain must be reduced to allow soil-rebuilding grasses and clovers to be planted. We cannot go on forever drawing from the fertility bank without making some deposits to our account."

HALF PARTNERSHIP is not enough for the Atlantic Pact, states the **Vancouver Province.** "We have been trying to present a united front to Russia but there are some bad cracks in that front. We have agreed to military collaboration but our armed forces are still in separate compartments using different arms and ammunition. We have agreed to economic and diplomatic collaboration but we are still using different currencies, different tariffs and devaluing our money at different rates. A vast democratic fusion can't happen overnight. But the seeds have been planted. In the present dangerous and uncertain international climate they may bear fruit sooner than we think."

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Oct. 22, 1949

CONSTRUCTION TRENDS

By CLIVE CHATTOE

First Year of Billion in Contracts 'In the Bag' For Canadian Building

Construction contracts awarded in nine months, at over $812 millions, are up 9% from the 1948 period; in September, at about $103 millions, they're 29% higher than a year ago, according to the authoritative MacLean Building Reports Ltd.

The lift in September awards sharply reverses the slight downward trend reported a month ago; leads MBR and other observers to optimism for the closing quarter and gives rise to increasing expectation among construction men that 1949 will be Canada's first billion dollar contract year of record.

Although housing alone was off seasonally from August, against continuing firm resurgence in factories, housing led the field again with September volume put at $51 millions, up 49% from a year ago. And housing's $360 millions 9-month contract total is an impressive 22% above the 1948 period.

Awards were reported up in September in all regions except the Maritimes. Quebec accounted for more than 40% of the Dominion total, with awards totaling $42.2 millions, an increase of $13.4 millions over a year ago. Ontario's totaled $30.8 millions, up over $10 millions. The West gained $1.9 millions at $24.2 millions.

Quebec was responsible for the majority of the large jobs during the month, with three apartment projects totaling $8 millions; an extension to a postal terminal at $3 millions; a housing project at $2 millions; and, a beverage plant, and a hospital, each estimated to cost $1 million. A large public building contract was awarded in Halifax at $1 million, and two projects in Ontario, a mining plant at $2 millions, and a hospital at $1.4 millions were awarded during the month.

Here are award totals by categories for September and nine months:

CONSTRUCTION CONTRACTS AWARDED, CANADA
(Millions of Dollars)
Source: MacLean Building Reports Division, Hugh C. MacLean Publications.

	—9 mos.— '48	'49	% ch'ge from '48	—Sept.— '48	'49	% ch'ge from '48	% ch'ge from Aug.
Housing	293.4	359.7	+22	34.1	50.8	+49	—9
Comm'l & inst'l bldg.	226.5	232.8	+3	29.8	35.9	+20	+43
Factories	54.5	83.0	+52	7.9	7.1	—10	+163
Engineering works	169.9	136.4	—20	7.9	9.5	+20	+28
All	744.2	812.1	+9	79.7	103.3	+29	+14

* * *

New Houses Completed 65,000 So Far in '49?

An estimated 46,326 dwelling units were completed in Canada during the first seven months of 1949, the Dominion Bureau of Statistics reports in its Housing Bulletin No. 19 released last week. That's nearly 10,000 ahead of new completions in the 1948 period. It suggests the nine months figure may emerge as something like 65,000 "completions."

New starts in the same period are put at 49,285, only 167 down from the 1948 period.

Under construction at July 31 were 59,203 units 3,517 more than at the same date last year.

There's no appreciable difference in the percentage of dwelling units built for rental purposes, last year's and this year's proportion for rental being about 25% to 30% of completions in the first seven months.

DBS calls its figures in this report "estimates" but points out they result from a nation-wide monthly survey carried out by itself with the co-operation of Central Mortgage & Housing Corp. All metropolitan areas and urban centres with 5,000 or more people are enumerated completely, while about 400 "sample" areas lying outside these municipalities are also chosen for complete enumeration.

* * *

U. S. Builders Resume Boom Pace in Housing

The Americans, too, are going great guns on housing. With them, though, it's a renewed outburst after a lull. With us it has been steady, high pressure.

Washington's Bureau of Labor Statistics—always fast on its figures—this week reports that U. S. builders in September started construction on 100,000 new homes. The pace set a mark which one government official termed "remarkable." The figure is 300 short of the postwar peak reached in May, 1948. It was 2,000 above the month before; 17,800—or 22%—higher than a year ago. The 1949 total thus is seen likely to approach 1,000,000 new "starts," with only a slight dip expected this month.

On U. S. building volume generally, i.e., all types of construction, the same source reports the value of work put in place in September at over $1.9 billions, up a fractional $9 millions from August and representing a 1949 monthly peak in construction spending. It brings the nine months total to $14 billions spent in United States on all new construction, up 1½% from the 1948 period.

* * *

Provinces Join Heads Against Code Muddle

What's the hope for building code uniformity? What hope for flexibility, for recognition of better, cheaper materials while keeping safety and amenity standards high?

National Research Council's Robert F. Legget—he's director of NRC's two-year-old building research division—last week once more pointed the way out of the swamp of municipal regulations governing the safety, soundness and cost of new housing and building.

The provinces, Dr. Legget reported, have in effect organized a continuing conference on the problem, a new progressive study similar to the one launched last spring at the first conference of municipalities on building code modernization. Investigation at both levels is in co-operation with NRC's Associate Committee on the National Building Code.

At an initial provincial conference in Ottawa, government and committee representatives reviewed the "horrible hodge-podge of variety" in building regulations between cities and between provinces. They also looked at provincial legislation related to building construction.

Result: First talk of possible federal-provincial co-operation in a drive to "educate" smaller municipalities on "the significant role of building codes in community development" and on the value of inter-municipality uniformity in such codes.

Raised also, for the first time in concert, was the problem of adequate building inspection. Because of cost and shortage of trained inspectors, this has become a pressing administrative problem for local and provincial governments. There was no finding; just decision that a solution will be sought by continuing conference.

A completely integrated and revised National Building Code will be available for Canada in five years, Dr. Legget told the Toronto Builders' Exchange shortly after the Ottawa session of provincial officials. He said framework for the code revision is now well under way. A "Short Code"—regulations applicable to areas and municipalities lacking technical assistance—will be published next spring. The intermediate step, a "Code for Smaller Municipalities," will be completed by 1952 at the latest.

New Servicing Depot For Fruehauf Trailer

Fruehauf Trailer of Canada's R. T. Hazell, vice-president and general manager, announced opening in outer Montreal of a 20,000 sq. ft. trailer servicing station with 60,000 sq. ft. of parking space. He referred to growth of the trailer industry in Quebec; said the depot will stock trailers, parts and accessories, including sanders, saddle tanks, fifth wheels, brake lining and winches. The branch is headed by Don Steel with 12 mechanics under Service Manager Cliff Weir.

Ontario Boom for British Cars

Gordon Fairley's Austin Motors Sets Fast Pace

Since moving into Canada in a big way less than two years ago, Austin Motors has sold 18,000 of their British designed and made cars and set up an organization which now boasts 400 dealers coast-to-coast.

The small British car seems to have sold a lot better than the most optimistic expected. But if things have been good they're going to be a lot better — maybe four times as good, the fans say.

The reason: devaluation and the healthy price cuts which followed. Delivered retail price, four-door Austin Devon Montreal and Vancouver is now $1,445, including heater and license and spare tire, against $1,645 pre-devaluation. With inland freight charges, the Devon sells at $1,495 in Toronto.

Austin of Canada, for example, has quadrupled its orders for shipment through the port of Montreal for the next 60 days. Normally, auto sales decline in this period. Originally Austin had 1,000 cars on this order. Now it has been increased to 4,000.

The rush for British cars started slowly after devaluation. Now, if you ask one of Toronto's bigger dealers how things are he'll say, "It's a madhouse!" He's already had 200 cars this month and is hollering for more. A Quebec distributor had 400 in stock prior to devaluation and figured he had enough to last the rest of the year. Last week, he telephoned for more.

In this fast-growing Austin organization the biggest single unit is Gordon D. Fairley's Austin Ontario Motors Ltd., distributor for Ontario with headquarters in Toronto. In 12 months, this firm handled 5,000 units, topping the second-best, a British Columbia distributor, by 2,500. Thus, Ontario has leap-frogged over the Pacific Coast as leading buyer of U. K. cars.

G. D. FAIRLEY

Fittingly, Austin Ontario this week moved into its handsome new $1 million home on Toronto's Church Street, with as fancy a house-warming as the trade has seen. There were roses for the ladies, organ music, the mayor, and refreshments. To top it off, the affair was broadcast.

Here, in Toronto's newest and one of its most handsome automobile centres, Austin Ontario will display and service the eight models which make up Austin's automotive family.

The new building is Gordon Fairley's concrete way of expressing his conviction that there is a strong market here for English cars and that the Austin in particular is here to stay.

Although best known because of his hotel and resort interests, Fairley is not a newcomer by any means to the automobile business. He was four years with the service organization of one of the major auto manufacturers in the United States.

Still in his late thirties, Fairley is president and managing director of the $1 million Hotel Holdings Ltd. It includes Ontario's Royal Muskoka hotels and lake passenger steamships.

But his interests spread beyond either the resort or the automotive field. He's in manufacturing through Brantford Refrigerator Ltd. and now and then he returns to his first love — movies. He came up from usher to chain owner, sold his interests in 1945 but is back in again now with Canadian Motion Picture Productions Ltd.

In getting in on the ground floor of the U. K. auto boom in Canada, Fairley has already made another mark for himself.

Accident Free Record is Set

NIAGARA FALLS—The 100 employees of McGlashan, Clarke Co., Canadian silverware manufacturing firm, have commenced their second 12-months period determined to protect their year long accident-free record.

Recently the staff completed approximately 225,000 man hours without a lost time or medical attention accident to lead the 57 Niagara peninsula metal trades industries in the Peninsula Division of the Industrial Accident Prevention Association.

Employees were presented with a class "A" certificate, describing their safe working record as a highlight of the association's observance of October as "no-accident" month.

How the Purchasing Agent Cuts Transportation Costs

Are there further fields for co-operation between your company's purchasing department and its traffic department that can contribute to net profit?

As part of its two-day convention in Hamilton, Ont., last week, the Council of Canadian Purchasing Agents' Associations explored this topic.

Condensed below are remarks by F. T. Parker, traffic and customs manager, Canadian Industries Ltd., Montreal.

The purchasing agent is concerned with buying his essential materials as cheaply as is reasonably and fairly possible and having them delivered safely and expeditiously at the works.

Loss of or damage in transit to the goods which he has painstakingly purchased not only nullify his efforts to some degree but also result in a social waste—a waste of time and labor of those who have produced the goods. Even if the transportation company pays the claim no one can gain; everyone loses.

A large proportion of the loss or damage is directly due to type of package and to insufficiency of bracing, and here is a fertile field of joint endeavor. There are several improving methods of packaging and handling, and this is particularly true of loading on platforms, which can be handled by lift trucks into and out of the car, which platform method has a decided place in efficient warehousing. It would appear that the carriers are recognizing that platform handling means a sharp decrease in damage claims and they are gradually working to the point where they will transport these so-called pallets either free or at reduced freight charges.

The matter of time in transit is also one requiring careful consideration and there should be a close working arrangement between purchasing and traffic as to just what is required and why and what expense is justified for, broadly speaking, the faster the despatch the higher the transportation charge.

Certainly rapid despatch allows for the maintenance of minimum inventories . . . . Unnecessarily large inventories tie up capital, involve a risk of deterioration and, if I am right, might today mean the possible risk of falling prices.

On the other hand, particularly on large shipments of bulk goods, the cost of boat transportation below rail may be sufficient to warrant these risks—or the purchasing agent, knowing these risks, may find some way of overcoming at least part of these inventory risk, for instance, of paying for the goods as they are used.

Again, there may be two competing forms of transportation charging the same rate but the minimum by rail is, say, one full month's requirements. By the other transportation agency the minimum may be only 10 days' stock. Traffic may here be of help in saving of inventory costs even when transportation charges are the same.

There are legitimate ways to keep freight costs at the minimum.

(a) A careful study of rail freight rates and the bases of freight rates. If the traffic man is advised ahead of time where new sources of supply are involved, or if he knows just exactly what the goods are, he has every chance of securing the most favorable rate basis, but if he is not so advised the railways of necessity will carry the goods at the normal class rates.

(b) Ensure that the goods are shipped by the most economical method, bearing in mind handling costs at the receiving plant.

(c) Combining small shipments with those of the same shipper into carloads—or using a pool car company, or handling through distributing warehouses.

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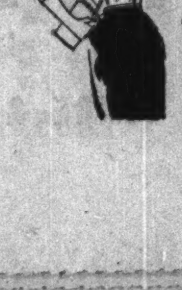

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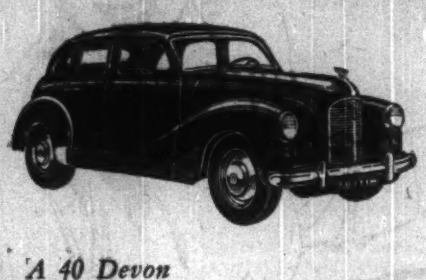
You are cordially invited to visit our new, modern show-rooms . . . to see the eight beautiful models which make up the Canadian family of Austin cars and trucks . . . and to inspect the most modern Service Centre in Canada, fully equipped with the latest engineering devices to assure you of rapid, efficient, factory-specified parts and service.

Here, in the most modern lubritorium in Canada separate lubrication hoists enable four cars to be serviced simultaneously.

One end of the Service Centre—well over half an acre in extent—giving some idea of the number of cars that can be accommodated at one time.

EIGHT *Beautiful* MODELS

Austin *Canadian Family*



A 40 Devon

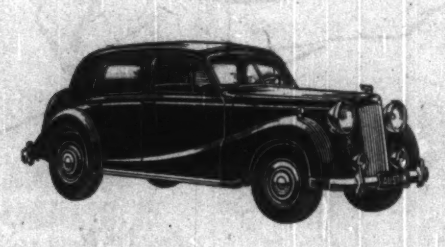
In the lowest price field, the Devon 4-door Sedan combines beauty and graceful styling with unheard-of economy — up to 35 miles per gallon of gas.

A 70 Hampshire

Larger and more powerful than the Devon, a masterpiece of craftsmanship, built exclusively for the Canadian trade, this superb car will fill a long-felt want.

A 90 Atlantic Convertible

A sleek, ground-hugging beauty that has power and speed to spare; with low, sweeping lines of breathtaking symmetry. A car you would be proud to drive—and own.



A 125 Sheerline

Built with exacting care and devotion to detail, with distinctive new styling and an outstanding engine and chassis—this car is the choice when nothing but the very best is acceptable.

A 125 Sheerline Limousine

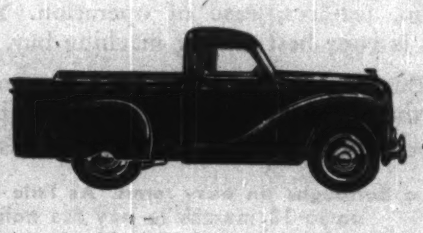
The very latest addition. Sleek, modern lines, long wheelbase, and luxurious riding make this the last word for town or country driving.

A 40 Countryman

A Utility or Station Wagon designed for pleasure, business or travel. Modern as to-morrow — economical—smartly styled.

A 40 ½ Ton Panel Delivery

A snappy, hard-working, thrifty van which is making a name for its economy, ease of handling, and dependability. A real money and time saver for busy merchants.



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Easy to park, load and unload, this rugged little truck is built for years of dependable service at really astonishing operating savings.

A Complete Range of Cars

An Austin model for every Canadian need . . . a complete range of new and exciting motor vehicles . . . passenger and commercial units for every purse and person! Whatever your motoring requirement—Austin has provided for it with a model designed and engineered for years of economical, dependable, unbeatable performance. In addition to those illustrated, Austin offers a 25-cwt. three-way panel delivery, 2-3-and 5-ton trucks and the Welfarer Ambulance.

NOTE—All Austin models on sale in Canada are equipped with conventional left-hand drive. Heaters are standard equipment on passenger cars—radios optional. We are now able to give prompt delivery on most Austin passenger and Commercial vehicles shown on this page.

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Costs Rising Faster Than Revenue: Bell

Here Are Company Arguments For Phone Rate Increase

By PAUL DEACON

MONTREAL (Staff) — In the face of rapidly rising costs which have increased faster than the greater postwar revenues, Bell Telephone Co. of Canada last week made its long-expected application to the Board of Transport Commissioners for an increase in its telephone rates.

In its submission, the company shows that estimated net profit for 1949 will fall $4,699,000 (75 cents per share) short of covering the dividend requirements on its more than 6.3 million shares. On a per share basis it means the lowest level of earnings since 1936, the year prior to the last increase in telephone rates.

If the increase is not granted, deficits of $8,452,000 and $11,859,000, after dividends, are predicted for 1950 and 1951, respectively; with earnings per share dropping to estimated $1.25 in 1949, 86 cents in 1950 and 67 cents in 1951 ($2.08 in 1948).

To meet its current dividend requirements, company's surplus, which totalled $12.5 millions at Dec. 31, 1948, would be reduced by 37% this year and would disappear entirely, leaving a deficit by the end of 1950 under the present rate schedule, company figures show. In the first seven months of 1949, company showed a net income of $4,902,237, which, after charging $7,241,416 dividends, meant a deficit of $2,339,179 for the period.

What Increase Will Mean

In a letter which reached Bell's 55,000 shareholders this week, President Frederick Johnson told them that the company had applied for the increase, pointed out that "our application . . . must be regarded as a matter of urgent importance—not only to the company, but also to the general economy of the provinces we serve.

"It will be necessary this year," he went on, "to draw on our surplus in order to fully pay our regular dividend of $2 a share. The higher rates for which we have applied would increase our revenues in the year 1950 by $23.9 million—or 20.6%—over the revenues that the present rates would produce. Of this amount, almost $10 million would be required to meet the additional taxes that would result from this increase. The remaining $14 million is the additional revenue we need to enable us to meet all expenses, including bond interest, pay our regular dividends, and put aside a reasonable surplus."

In its application, the company recalled its instructions under the federal statute: "upon the application of any person, firm or corporation" in territory in which general service is given, "company shall, with all reasonable dispatch, furnish telephones of the latest improved design then in use by the company in the locality, and telephone service . . . ."

How New Capital Will Be Spent
GROSS CONSTRUCTION
($000)

Class of Plant	1949	1950	1951	1952	Total
Right of Way	260	281	185	185	911
Land and Buildings	8,431	7,521	8,956	5,237	31,145
Central Office Equipment	24,755	23,195	23,680	24,895	96,525
Station Equipment*	22,202	28,148	24,277	26,943	97,370
Outside Plant†	25,271	24,762	25,019	24,837	99,895
General Equipment‡	3,561	3,134	3,120	3,245	13,060
Total	84,620	82,427	85,937	85,942	338,926

*Telephone Equipment on subscribers' premises.
†Exchange (local) and Toll (long distance) poles, wires, cables and conduit.
‡Furniture, motor vehicles and tools.

The Construction Record

To cope with the tremendous expansion in the demand for service in the postwar period, company spent $33.8 millions on construction in 1946, $58.7 millions in 1947, $82.6 millions in 1948 and estimated $84.6 millions this year.

During the three years 1946-48, company put an additional 405,843 telephones in service and installed new facilities to handle the 45.4% increase, from 45.4 million to 66 million, in the number of long distance messages. At the end of last year there were still 84,980 applications on hand for main exchange service and 93,992 applications for a higher grade of service, chiefly one- instead of two-party lines.

Despite this large construction program already completed, company estimates it will have to provide facilities to serve another 450,000 phones in the four years beginning 1949, at a gross construction cost of $338.9 millions or an average of over $84 millions annually. For the $254.2 millions needed in 1950-52, company plans to get $113 millions from depreciation, salvage and other resources, raise $141 millions new capital.

Company would like to obtain the additional capital, as far as possible, through sale of common stock rather than bonds. Application points out that need for keeping company's credit position strong demands that further borrowing be kept to a minimum.

Present ratio of debt obligations to total capital obligations (bonds, notes, capital stock, premium on stock and surplus) is 44% compared with 33% in 1947; company wants to lower debt ratio, be able to be in sound position for borrowing later on if investment market can't absorb stock at advantageous prices. Company suggests 1:3 as proper debt-to-total capital ratio.

Question of Rate Structure

However, to reach its objective, company must be allowed rate structure which will produce revenues sufficient to support the new capital, application states. Furthermore, revenue requirements quoted by the company are based on obtaining required new capital in 1950 and 1951 almost entirely by sale of capital stock, which means that operating revenues for 1950 and 1951 (estimated at present rates) must be increased by $23.9 millions and $24.8 millions respectively. Proposed tolls, if approved before Jan. 1, 1950, should result in average net income of $2.50 per share annually in next two years, application states.

Rate of return, comparing total income to average capital obligations, was 5.3% in 1948, is estimated at 3.77%, 3.04% and 2.61% the next three years under present rate scheduled; 6.53% and 5.82% in 1950 and 1951, respectively, under proposed schedule, application states.

Rate of return, comparing average net operating income with average net telephone plant in service (at book cost less depreciation reserve) and investment in supplies, was 5.48% in 1948, is estimated at 3.74%, 2.94% and 2.47% in the next three years under present tolls; 6.82% and 5.99% in 1950 and 1951, respectively, under proposed tolls.

Application shows still lower rates of return when comparing net operating earnings to total plant investment and investment in supplies and net operating earnings to net plant investment at current cost level and its investment in supplies. Company holds that by applying a fair rate of return to any of these bases, it will be shown that it is entitled to greater increases than those now sought.

Reclassification of Exchanges

Rates for telephones were set by the 1927 judgment according to the number of telephones in service in each exchange; areas in the same grouping were charged the same rate anywhere in the Bell system. However, in many cases, as the number of telephones increased, no change in the original grouping was made and rates remained the same.

Taking into account as well the reduction in long-distance tolls and in charges for exchange service since 1927, company estimates that if all exchanges had been reclassified to their real group and the old long exchange service and distance charges were still in force, company would have received $10,050,000 more revenue in 1949. However, brief adds, mere restoration of these tariffs would not be feasible under present circumstances and conditions, nor would it provide enough money.

Company also disclosed information on another source of revenue outside its own operations. Company's 1948 earnings from its 15 controlled telephone companies in Ontario and Quebec were at the rate of 5.14% of the $2,466,490 book cost of its investment in these companies, brief states.

Regarding depreciation, the application reveals that the composite rate has been reduced since the 1927 rate award. The board at that time allowed the company component "straight line" depreciation rates which produced a composite rate of 5.34% of its depreciable telephone plant. Company's continuous studies of depreciation have knocked this down to 4.20%, it is stated.

Increase in Costs

The higher costs for labor and materials have meant a 62% increase over 1939 in the cost of telephone plant additions and replacements, the application declares. In the 10-year period, price of copper wire has gone up 73%, cedar poles 81%, lead-covered cable 168%, buildings 105%, motor vehicles 93%. Payroll has been increased from $17 millions to $60 millions (up 253%) and number of employees from 9,927 to 27,600 (up 178%). Wage rates are 70% higher which, with the reduced work week, means 90% increase on an hourly basis.

Over-all operating expenses have jumped 153%, while operating revenues are only 125% higher. Thus as both operating revenues and operating expenditures moved higher in recent years ($77 millions, $54 millions in 1946; $85 millions, $63 millions in 1947; $96 millions, $73 millions in 1948), income available for interest and dividends was unable to keep pace.

Requirements rose steadily as both funded debt and capital stock were increased to provide funds for the expansion of telephone facilities. Earnings per share dropped from $2.41 in 1945 to $2.27, $2.20 and $2.08 in 1946, 1947 and 1948 respectively.

This year, after charging dividends, deficits have been shown each month: $208,197, $256,776, $365,537, $256,647, $308,130, $368,776 and $505,115 in that order in the first seven months, or a total for the period of $2,339,179. Deficit for the year will reach $4.7 millions, company estimates, and a 20% increase in revenue through higher rates will be needed to provide the regular $2 dividend out of earnings after taxes in 1950 and still leave a surplus of approximately 50 cents per share.

The Proposed Rates

As for the rates themselves, the proposed schedule does not represent a flat 20% increase. Individual rates vary according to the relative value of the different services; some would be higher, some lower. Greatest increases would be for exchanges with the largest number of telephones.

Initial period charge for long-distance calls would be raised 5-15 cents depending on the distance involved and on whether station-to-station or person-to-person service is requested. Some person-to-person, night and Sunday calls would be 20-25 cents higher. There are no increases for station-to-station calls between centres less than 10 miles apart. In most cases, miscellaneous equipment and services will cost more.

Proposed rates for local service in the nine rate groups are all higher and schedule provides for transfer of 220 exchanges to higher classifications. Business phones will get a greater percentage jump than residential. For instance, in Toronto and Montreal individual business phones would be $12 a month instead of present $7.35; two-party residence phones, $3.75 instead of $3.10. Effect of reclassification as to group is shown by increase from $4.10 to $7 for Kingston, Sherbrooke, Trois Rivieres, Niagara Falls, Oshawa, Lennoxville and Sarnia business phones, while Brantford, Kitchener - Waterloo, Peterborough, St. Catharines and Sudbury business phones will pay the same rate although they are paying more—$4.60—under the present schedule.

Exchange	Two-party Residence Present $	Two-party Residence Proposed $	Individual Business Present $	Individual Business Proposed $
Montreal, Toronto	3.10	3.75	7.35	12.00
Quebec	2.85	3.50	5.10	9.50
Hamilton, Ottawa	2.85	3.50	5.85	9.50
London, Windsor	2.65	3.25	5.10	8.00
Kingston, Niagara Falls, Oshawa, Sarnia, Sherbrooke, Lennoxville, Trois-Rivieres	2.35	3.00	4.10	7.00
Brantford, Kitchener-Waterloo, Peterborough, St. Catharines, Sudbury	2.60	3.00	4.60	7.00
Cornwall, St. Johns, Shawinigan Falls, Woodstock	2.20	2.85	3.60	6.25
Belleville, Chatham, Galt, Guelph, North Bay, Owen Sound, St. Thomas, S. S. Marie, Stratford, Welland	2.25	2.85	4.10	6.25
Beaverton, Gatineau, Shawbridge	2.20	2.45	2.85	4.00

The 10-Year Growth Record

	1939	1948	% Increase 1948/1939 %
1. Number of Telephones at Dec. 31	785,455	1,455,956	85.4
2. Net Gain in Telephones during year	20,274	147,013	....
3. Long Distance Messages for year	21,565,563	66,051,747	206.3
4. Long Distance Messages per 'phone	27.9	47.9	71.7
5. Total Fixed Capital (land, buildings, telephone plant & gen. equipment)	$205,456,313	$396,579,562	93.0
6. Gross Construction for year	$ 14,850,500	$ 82,575,944	456.0
7. Total Operating Revenues for year	$ 42,670,286	$ 95,845,981	124.6
8. Total Operating Expenses for year	$ 28,945,880	$ 73,261,209	153.1
9. Number of Employees at Dec. 31	9,711	25,721	164.9
10. Total Payroll for year	$ 16,928,845	$ 52,262,347	208.7
11. No. of Shareholders at Dec. 31*	20,584	38,889	88.9

*NOTE:
Number of Shareholders at July 31, 1949 54,882
% Increase over December 31, 1939 .... 166.6

Financing — Resources and Requirements

ACTUAL DATA FOR YEARS 1946 TO 1949

($000)	1946	1947	1948	1949
REQUIREMENTS				
Gross Construction	33,800	58,700	82,600	84,600
RESOURCES				
Depreciation Credits, Salvage and other Resources (net)	7,800	22,600	24,600	22,700
External Financing	26,000	36,100	58,000	61,900
Capital Obligations—Increase*	26,100	35,900	56,800	57,300
Capital Obligations—Increase—Cumulative	26,100	62,000	118,800	176,100

ESTIMATE FOR YEARS 1950 TO 1952

"000" Omitted	1950 $	1951 $	1952 $
REQUIREMENTS			
Gross Construction	82,400	85,900	85,900
RESOURCES			
Depreciation Credits, Salvage and Other Resources (net)	34,200	38,400	40,400
Capital Obligations—Increase*	52,000	52,400	36,800
Capital Obligations—Increase—Cumulative	52,000	104,400	141,200

*Increase in Capital Obligations differs from External Financing since the latter represents the net cash proceeds from securities issued, whereas the Capital Obligations reflect the face value only of bonds issued, par value of and premiums on stock issued and changes in surplus in the period 1946 to 1949. Effect of changes in Surplus have been excluded from financing estimates for 1950 to 1952.

INCREASE IN OBLIGATIONS

	Number of Telephones	Total Fixed Capital (Land, Buildings, Telephone Plant & General Equip.)	Capital* Obligations
At March, 1924	500,000	$80,000,000	$64,000,000
At April, 1945	1,000,000	244,000,000	181,000,000
At April, 1949	1,500,000	419,000,000	316,000,000
% increase from March, 1924 to April, 1949	200%	424%	394%

*Consists of bonds, notes, capital stock, premiums on stock and surplus.

Balance Sheet Record

COMPARATIVE BALANCE SHEET—DEC. 31, 1939, 1948 AND JULY 31, 1949

ASSETS	1939	1948	July 31/49
Right of way	$ 1,755,485	$ 3,277,942	$ 3,404,020
Land	3,084,767	3,964,507	6,037,857
Buildings	17,979,128	26,800,943	34,549,895
Central office equipment	55,190,780	96,122,306	110,714,484
Subscribers' telephone equipment	35,214,845	76,157,206	83,173,836
Pole lines	22,263,436	35,567,897	37,479,528
Cable	42,531,857	83,602,375	92,230,210
Aerial wire	9,612,622	14,802,283	15,876,043
Underground conduit	13,415,050	25,006,810	25,892,656
Furniture and office equipment	1,486,839	3,737,228	4,227,853
Vehicles and other work equipment	1,853,735	10,049,002	11,072,695
Telephone plant acquired less plant sold	2,800	61,338	217,572
Total telephone plant in service	204,392,192	383,150,827	422,932,649
Telephone plant under construction	1,064,121	13,428,735	12,502,382
TOTAL FIXED CAPITAL	205,456,313	396,579,562	435,435,031
Investments in subsidiary companies	13,824,751	9,145,800	9,601,234
Other investments	534,245	8,187,803	8,252,053
TOTAL INVESTMENTS	14,358,996	17,333,603	17,853,287
Cash	343,948	798,690	(—2,439,803)
Temporary cash investments	146,620	1,415,400	20,202,400
Material and supplies	2,299,263	10,500,073	11,392,465
Other current assets	19,522,625	9,403,554	12,654,859
TOTAL CURRENT ASSETS	23,318,456	22,117,717	41,809,921
Refundable excess profits tax	....	5,782,177	4,103,384
Prepaid accounts and deferred charges	3,859,313	5,584,263	6,083,913
TOTAL OTHER ASSETS	3,859,313	11,366,440	10,187,297
TOTAL ASSETS	246,987,078	447,397,322	505,285,536
LIABILITIES			
Bonds	62,500,000	102,500,000	142,500,000
Pension fund note	8,878,836	9,885,718	9,528,588
Other notes	3,000,000	3,000,000	3,000,000
TOTAL LONG-TERM DEBT	74,378,836	115,385,718	155,028,588
LOANS	....	19,900,000	....
Current liabilities	18,433,966	13,794,123	10,051,936
Accrued liabities not due	3,734,434	7,200,966	6,622,067
Deferred credits	2,590,667	7,912,982	10,211,480
TOTAL OTHER LIABILITIES	24,759,067	28,908,071	26,885,483
DEPRECIATION RESERVE	55,487,297	117,802,358	134,104,432
Capital stock	80,879,600	128,400,100	156,180,650
Capital stock installments	....	....	....
TOTAL CAPITAL STOCK	80,879,600	128,400,100	156,180,650
PREMIUMS ON CAPITAL STOCK	6,854,004	24,375,754	32,050,867
Reserved surplus	....	5,782,177	4,103,384
Unappropriated capital surplus	2,188,842	2,277,716	2,191,726
Unappropriated earned surplus	2,428,792	4,464,430	3,820,404
TOTAL SURPLUS	4,617,634	12,524,323	10,115,516
TOTAL LIABILITIES	246,987,078	447,397,322	505,285,536
Debt capital	74,378,836	135,285,718	155,028,588
Equity capital	92,351,838	165,300,177	199,267,033
TOTAL CAPITAL OBLIGATIONS	166,730,774	300,585,895	354,295,621
Debt ratio	44.61	45.01	43.76

Estimates of Earnings and Expenses

EARNINGS AND EXPENSES FOR YEAR 1948 AND ESTIMATES FOR YEARS 1949 TO 1951

	1948 Actual Results	1949 Estimate For Year	1949 Adjusted To Include Full Year's Wage Increase	1950 Estimate For Year Under Present Tolls	1950 Adjusted For Effect of Proposed Tolls	1951 Estimate For Year Under Present Tolls	1951 Adjusted For Effect of Proposed Tolls
Total Oper. Revenues	$95,845,981	107,600,000	107,600,000	115,700,000	139,568,000	122,100,000	146,867,000
Total Oper. Expenses	$73,261,209	87,562,000	88,578,000	96,775,000	97,014,000	103,424,000	103,672,000
Net Oper. Revenues	$22,584,772	20,038,000	19,022,000	18,925,000	42,554,000	18,676,000	43,195,000
Total Oper. Taxes	$ 9,239,000	8,682,000	8,276,000	8,342,000	18,037,000	8,565,000	18,625,000
Net Oper. Income	$13,345,772	11,356,000	10,746,000	10,583,000	24,517,000	10,111,000	24,570,000
Other Income, Net	1,652,672	1,860,000	1,860,000	1,825,000	1,825,000	1,960,000	1,960,000
Total Income	$14,998,444	13,216,000	12,606,000	12,408,000	26,342,000	12,071,000	26,530,000
Interest Deductions	$ 4,421,870	5,435,000	5,435,000	6,090,000	6,090,000	6,100,000	6,100,000
Net Income	$10,576,574	7,781,000	7,171,000	6,318,000	20,252,000	5,971,000	20,430,000
Dividends	10,186,656	12,480,000	12,480,000	14,770,000	14,770,000	17,830,000	17,830,000
Undivided Profits or Deficits (–)	$ 389,918	(–4,699,000)	(–5,309,000)	(–8,452,000)	5,482,000	(–11,859,000)	2,600,000
Net Income per Share	$ 2.08	1.25	1.15	0.86	2.74	0.67	2.29

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Bank Foreign Investments Slightly Below Last Year

Chartered bank investments in foreign public securities have been showing a moderate decline in recent months as compared with the corresponding months of the previous year, the regular monthly bank statements show.

The decline has not been large. In August, 1949, it was about 10% from the same month in 1948.

Foreign public securities are shown in the return of the banks to the Finance Minister under the heading "Public Securities Other Than Canadian." It includes mostly United States and British securities held by the banks as well as securities issued by local governments in the British West Indies with or without a United Kingdom Government guarantee.

The greater proportion is believed to be United States Government bonds.

About 5¼% of Total

These foreign investments on Aug. 31 totaled $256.8 millions, down just about 10% from the previous year. The $236.8 millions of foreign securities held are almost 5¼% of the total investment of all the banks at over $4.5 billions.

The decline in foreign investments is due in some cases to the maturing of foreign securities bought during the war. As these matured, some banks did not reinvest in other foreign issues, because it was found more profitable to employ available funds in loans. In any case, proportions of foreign investments to the total is now more comparable with the prewar figure, than it has been during war and immediate postwar years. In August, 1938, foreign securities were 4½% of total investments and in August 1939, about 5.8%, so the 5¼% shown in August 1949 is about in line with the prewar proportions when there were no foreign exchange regulations.

The chartered banks are not restricted in their investment policy, the securities they buy depending on the judgment of the management of the individual bank. All deals are subject to foreign exchange regulations.

Keep Assets Liquid

The bank investment officers always keep in view the fact that a bank must keep its assets in fairly liquid form to meet any demand for funds that arise. Bank investments, accordingly are, by general practice in high grade bonds and debentures. In the August return to the Finance Minister, out of total investments of $4,527 millions, $3,738.7 millions was in Canadian Government securities, $156.8 millions in municipal securities, $236.8 millions in foreign public securities and $394.7 millions in other high-grade securities, including corporation issues etc.

Here are total figures of the banks' foreign investments for 1949 with comparisons.

Public Non-Canadian Securities Held by Chartered Banks
Thousands of Dollars

	1949	1948	1947
Jan.	237,932	263,009	277,524
Feb.	225,847	263,549	319,194
Mar.	222,826	260,907	260,110
April	232,948	263,770	304,377
May	234,545	266,417	294,944
June	239,662	266,363	299,291
July	237,696	270,092	309,448
Aug.	236,866	263,554	301,143
Sept.	......	256,036	279,088
Oct.	......	246,380	276,816
Nov.	......	242,258	282,318
Dec.	......	241,640	270,878

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BOOKS FOR BUSINESSMEN

YOU CAN LIVE LONGER THAN YOU THINK, by Dr. Daniel C. Munro; McClelland & Stewart Ltd., Toronto; 211 pages; price $3.50.

"You do not need to age rapidly after 40," declares Dr. Munro bluntly as the title of his first chapter. He then proceeds to give "the simple facts of tissue wear and repair" on diet principles. No one volume can cure man's aches and pains, but a common-sense reading of Dr. Munro's book may start the reader on the path to a longer, healthier life.

* * *

THE HOUSE OF GOODYEAR, by Hugh Allen; Corday & Gross Co., Cleveland, Ohio; 691 pages; price $3.

Here, the story of rubber and The House of Goodyear is intertwined over the past 50 years. The first edition of "The House of Goodyear" was published in 1936. This volume brings the story of the company's 50 years up to date.

This is not only the history of the world's largest company in its field, which grew from humble beginnings in Akron in 1898 and $13,500 of borrowed money, but it's the story of modern business in America as well; of risk, competition, of private enterprise, Government planning, of labor and management.

Particularly interesting for Canadians are the sections devoted to "Manufacturing in Canada" and "War Story of Canada." Goodyear's first expansion outside the U. S. took place in 1910. That year a 30 by 80 ft. building was bought in Toronto for sale of U. S. made products. But imposition of a 35% import duty on tires shortly afterward saw the company looking around for a plant site. Full manufacturing operations commenced at Bowmanville and World War I so taxed company's facilities there that employees had to be brought in from Toronto daily by train, sent back at night. Fifty extra houses were built but it wasn't enough. "Goodyear could increase its factory space but it could not build a town." A site of 23 acres was purchased in New Toronto and here a modern factory went up in 1917.

Goodyear Canada was well established as an integral part of the economy of the Dominion when the first World War broke out. Although the leading rubber company in the country it ran into financial difficulties in 1920, worked its way out and got back into the black ink by 1922. The Canadian company has shown an average profit of better than $1 million a year from 1910 to 1940, with a peak of more than $3 millions in 1929. Floor space had trebled at New Toronto plant, built in 1917 for a capacity of 2,000 tires a day. In 1940, one million tires were turned out.

Goodyear Canada's contribution to the last war effort was tremendous. It makes exciting reading.

* * *

PARTNERSHIP FOR ALL, by John Spedan Lewis; published in Canada by McClelland & Stewart Ltd., Toronto. 538 pages; price $3.75.

Mr. Lewis tells the story of the plan built up in the 12,000-employee British department store organization founded by his father. It is a form of profit-sharing, combined with management council, described as an experiment in industrial democracy which has "developed away from the republicanism of most democracies and towards the constitutional monarchy of British democracy."

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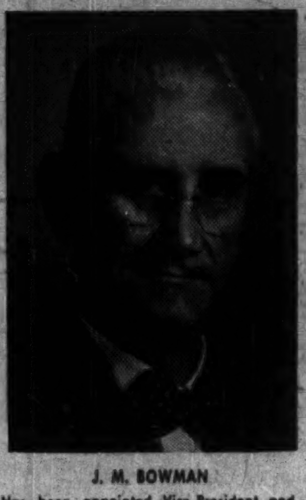

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Oversubscribe Share Issue New Alberta Distillery

A rapid oversubscription is reported to the public offering of a new issue of common shares of Canada's newest distillery, Alberta Distillers, Ltd. Offered were 250,000 no par value common shares at $1 a share by a syndicate consisting of Ross Whittall Ltd., Carlile & McCarthy Ltd., Pemberton & Sons (Vancouver) Ltd., Western City Co., and Lampman Laidlaw Securities Ltd.

Alberta Distillers Ltd., was incorporated in September, 1946, and became a public company on June 6, 1949.

Production commenced on July 4, 1949, and is running at the rate of about 100 barrels a day (equivalent to 2,000 cases). The company intends to manufacture a large stock of whisky to be placed in its warehouses for ageing, the objective being to maintain a stock of 60,000 barrels in maturing warehouses, it is stated.

Immediate objective is to produce about one million Imperial proof gallons of spirits for Canadian whisky. This objective will be reached early in 1950, it is stated. Directors have given their personal guarantees to the extent of $500,000 and arrangements have been made to obtain the necessary working capital to produce it.

At present Alberta Distillers is concentrating on the production of neutral grain spirits which are being placed in barrels to age for the making of Canadian whisky. As soon as the million gallons have been warehoused, the company will commence to manufacture gin and liqueurs. Certain by-products such as distillers grain stillage, industrial and commercial alcohols are being sold at the present time.

Estimated Savings

"Prior to the plant going into operation, it was estimated, because of the location of the plant, that the company could save over $500 a day in costs of grain, fuel, power, water, bottles and the sale of spent grains," President Frank M. McMahon states in the prospectus. "The company has now completed 90 days of operation and the actual costs have proved this estimate to be conservative and, at the same time, because of the modern equipment, the company has found that the yield per bushel of grain is well above average and of a very high quality. While it is impossible to forecast annual earnings, it is anticipated that due to the above low production costs the company should be able to favorably meet all competition and earn profits commensurate with the high records of earnings shown by other distilleries."

Capacity of the plant as presently constituted is 1,000 bushels in eight hours and can be increased to 3,000 bushels per day at a cost not exceeding $70,000. The increased capacity would provide an output of about 10,750 Imperial proof gallons of whisky per day and give a monthly yield of 268,550 Imperial proof gallons, it is stated.

Company Officers

Directors are Frank M. McMahon, president; George H. Reifel, vice-president and general manager; Charles H. Wills, secretary; George C. Reifel, Harry F. Reifel and Norman R. Whittall.

George C. Reifel of Vancouver was formerly managing director of British Columbia Distillery Ltd. at New Westminster, B.C., and he, together with Harry F. Reifel, held extensive interests in that company and in Brewers & Distillers of Vancouver Ltd., it is stated. George H. Reifel, son of George C. Reifel, is general manager and resides in Calgary where he has been supervising the construction and operation of the plant.

William F. Knight, distillery consultant, has been acting and will continue to act in an advisory capacity on all matters of construction and operation, the prospectus states. Master Distiller is Stanley Brown who has been associated with the distilling industry for the last 25 years, having been in charge of distilling at B. C. Distillers and later with Amherstberg Distillery.

Capitalization consists of $1 million authorized and issued 4½% first mortgage bonds and 5,000,000 authorized, 2,950,000 issued, no par value common shares. The first mortgage bonds were created as additional security for a bank loan of up to $1 million for working capital as needed and it is not the company's intention to offer the bonds to the public. 2,700,000 common shares were previously issued for cash for the purchase of property, certain construction and preproduction expenses. The recent issue of 250,000 shares is to provide funds to pay the cost of constructing and equipping the bottling plant and blending department.

In addition key employees have an option at 50 cents a share to be taken up within five years on 100,000 shares and there are 500,000 shares under option to guarantors of bank loans at $1 a share.

Edmonton Spending $ Millions Puts Heat In Voting Issues

From Our Own Correspondent

EDMONTON — A mayor and new councillors are becoming only incidental to the choices Edmonton burgesses must make at their civic election, Nov. 2. City council has approved 11 money bylaw questions to be voted on and these total close to $5 millions.

The $5-million plebiscite borrowing are only part of a $14.8-million borrowing program on which fast-growing Edmonton may be embarked next year.

In approving part of a $16-million capital expansion program, mayor and council overrode two city commissioners asking them to curtail their plans.

The commissioners warned the borrowing program would increase the city's debt by 76 per cent in one year. They doubted that the Board of Public Utilities Commissioners will ratify such borrowing and added "nor do we think that we can sell the necessary debentures except possibly at very high interest rates." Interest and annual repayment charges necessary to carry the added debt, the commissioners pointed out, would mean an increase of approximately six mills in the 1951 mill rate.

City departments and council had approved a $16-million program for the coming year. Commissioners recommended something over $12 millions. Added to both estimates was about $2 millions for city school expansion.

Including the schools, amounts which require no plebiscite total about $9.8 million. With the plebiscite items the amount of borrowings would total about $14.8 million. The $16-million program would be shaved by $1.5 millions revenue from land sales and utility reserves.

The borrowing, aside from the plebiscite items, are for capital expansion of utility and general public works.

Council agreed to a one-year halt of a $1.6-million Royal Alexandra Hospital (civic owned) extension, dropped a $30,000 outdoor theatre $20,000 in improvements to playground shelters and rest rooms, a $50,000 swimming pool enlargement; $150,000 for a second new swimming pool and $5,000 for a park merry-go-round.

Against the recommendations of the commissioners' council insisted on putting before the ratepayers the question of a $1.5-million civic auditorium, a $100,000 market project and a $150,000 swimming pool.

Most contentious item is the civic auditorium. Celebrity concerts in Edmonton are currently held in a livestock pavilion not far from the railway tracks. Mayor Ainlay and various cultural groups in Edmonton are pressing for the need of an auditorium, while others question the $1.5 millions estimated cost.

Other plebiscite questions are: paving, $1,260,000; high level bridge re-decking, $1 million; engineers and fire departments $9.25 millions; comfort stations and playground facilities $52,500.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

SPOONER OILS realized a profit of $871 in the year ended June 30, 1949, increased its working capital by over $5,000 to $78,527.

A 55% net interest has been secured in 160 acres of Sec. 7-55-23w4, located between the Woodbend and Redwater areas. This acreage is stated to look promising and may become valuable within the next few months with development taking place close by, it is stated.

It is not planned to spend funds on Hanna acreage until results of wells now drilling or contemplated are available.

INCOME ACCOUNT

Years Ended June 30:	1949	1948
Total revenue	$9,103	$8,935
Less: Oper. exps.	6,039	5,642
Depreciation	10	10
Devel. & depl.	2,183	2,439
Net profit & surplus	871	844
Earned per share	$0.0012	$0.0012
None paid.		

CONDENSED BALANCE SHEET

As at June 30:	1949	1948
Cash	$56,779	$50,976
Bonds	23,000	23,000
Accts., etc., rec.	928	1,361
Total curr. assets	80,707	75,337
Def. & prep. chgs.	88	82
Invests. (cost)	19,068	7,318
Royalties & synd.	45,286	59,939
Adv. to Berry Ck.	19,175	18,000
Leases	3,095	1
Equipment	37,821	38,481
Total assets	205,340	199,158
Total curr. liab.	2,180	2,187
Capital stock	288,906	288,906
Deficit	85,746	91,935
Working capital	78,527	73,150

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Ontario Municipal Statistics Shows Debt Up 16.6% In '48

An increase of $32,186,891 or 16.6% in the total net debenture debt and of $22,395,498 or 10% in total gross debenture debt of Ontario municipalities during 1948 is shown by the Annual Report of Municipal Statistics for 1948 issued by the Ontario Department of Municipal Affairs. This increase in net municipal debenture debt is three times the increase of $10,752,586 shown in 1947 when the trend toward debt reduction evident since 1932 was reversed.

Tax arrears also showed an increase in dollar amount for the first time since 1934, the earliest year for which figures are given.

Net municipal debenture debt totalled $225,301,868 or the equivalent of $57.16 per capita at Dec. 31, 1948 ($193,114,977 or $50.10 per capita at the end of 1947).

Gross debenture debt of Ontario municipalities at the end of 1948 was $242,309,495 or $61.48 per capita ($219,913,997 or $57.05 per capita). The percentage of gross debt to assess valuation increased from 6.6% in 1947 to 7.0% in 1948.

Sinking funds held by the municipalities of Ontario had a book value of $17,007,627 at the close of 1948, a further substantial decrease from sinking fund holdings of $26,799,020 at the end of 1947.

Tax levies for 1948 amounted to $151,361,663, — an increase of $16,013,960 or 11.8% from 1947. This was equivalent to a $38.40 ($35) per capita levy in 1948.

Current tax collections amounted to $141,147,385 during 1948 and represented 93.25% of the 1948 levy, (92.43%). Collections were up $15,549,182 in dollar amounts.

Total tax collections in 1948 amounted to $148,963,661 — 98.41% of the 1948 levy (98.57%).

Tax arrears amounted to $12,751,636 representing $3.23 per capita and 8.42% of the 1948 levy ($10,885,288, $2.82 and 8.04% respectively.) The increase in 1948 reverses the downward trend in tax arrears evident since 1934, the earliest year for which the publication shows a figure for tax arrears.

Reserves, postwar and general, amount to $8,491,616 ($6,602,305). Reserves for property acquired for taxes and contingencies amount to $3,192,943 ($9,434,966). There is also a tax reserve of $4,485,262 ($3,627,249).

Assessed valuations increased by $88,476,171 during 1948 to amount to $3,434,843,475. The increase is again attributable to a large extent to new construction and to re-assessment projects carried on in certain municipalities. Per capita assessment was $872 in 1948 ($868).

Assessed populations of all incorporated municipalities increased by 87,031 to amount to 3,941,527.

The form and extent of the 1948 report are similar to that for 1947 and include a series of charts and graphs showing visually the various changes throughout the years and conditions as they now exist with respect to certain phases of municipal activity. Copies of the report are available from the Ontario Department of Municipal Affairs at $5.

Some Are Glad, Others Mad On Western Highways Choice

From Our Own Correspondent

VANCOUVER — Route of the Trans-Canada Highway through British Columbia, long a political hot-potato, has been just about settled, bloodlessly by Saskatchewan.

The mid-prairie government expressed its wish that the "southern route" through Regina be followed. Whereupon Premier Manning, of Alberta, admitting he was influenced by the Saskatchewan view, chose the route through Banff.

That solves a chronic headache for B. C. politicos, who now are in the position of having to "accept" the Saskatchewan-Alberta choice, which will bring the road down the Fraser Canyon to Vancouver.

A government spokesman pointed out, however, that with Federal aid promised for the official Trans-Canada Highway, B. C. will be able to devote more of its resources to the Crow's Nest routes below it and thus "have two Trans-Canada highways through B. C."

That will have important bearing on the historic Hope-Princeton Road crossing the Cascade Range from Vancouver to Penticton which opens officially on November 2.

First projected about 100 years ago, and a political football for 25 years, the $12 million link from Hope to Princeton is a modern paved highway, opening new scenic and holiday resources to the tourist, and will also give Vancouver rapid transit fresh fruit service from Penticton, in the Okanagan Valley, to Vancouver, 290 miles away. Bus and truck service has already been arranged.

Meantime, chagrined Saskatoon and Edmonton backers favoring a northern route (Yellowhead Route) from Edmonton-Jasper down the North Thompson to Kamloops, are calling a protest meeting in Saskatoon, Oct. 27.

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THE TOURIST BUSINESS — By WALLACE GILLESPIE

Will Tourist Trade From U. S. Keep Up? National Group Studies Plans For Aid

By WALLACE GILLESPIE

Increase of "something less than 10%" in U. S. tourist spending during the first half of this year — more than offset on net balances by a 50% increase in Canadian spending abroad — set the statistical background for a stock-taking of Canada's tourist industry this week.

At its three-day Halifax convention, the Canadian Association of Tourist and Publicity Bureaus also dealt with officers' and committee reports, asking:

(a) Extension of statistical work to reveal the gross value of vacationing in Canada, both by visitors and by holiday-at-home Canadians, as well as total investment, employment provided, wages, etc. (In addition, DBS statistician W. R. Miller revealed that the Bureau would undertake a comprehensive survey of the notel industry in 1950.)

(b) Adoption of an eight-point program to conserve Canada's fish and game assets, including the outlawing of fish "derbies" and the sale by public auction (rather than privately as is sometimes now the case) or destruction of equipment seized from Game Law violators.

(c) Inauguration of a campaign to make greater use of Canada's historical assets as tourist attractions.

These moves shared an agenda which also included reports of certain "soft spots," particularly in average spending per person, appearing in the U. S. travel market, from which Canada draws heavily. Reassuring, though, were the continued rise of auto registrations throughout the States and the fact that nine out of every 10 American workers now receive holidays with pay.

Canadians Spent More

Though he was able to confirm The Financial Post's estimate of greater U. S. tourist spending this year, DBS's Mr. Miller pointed out that the tourist industry wouldn't be as effective an exchange-earning medium as it was in 1948 when our favorable balance on U. S.-Canada traffic reached a peak $157 millions.

The reason is a combination of heavier Canadian traffic southbound, freer spending, and more shopping.

The resurgence of Canadian travel, following the effective cutbacks last year, was reflected in all types of traffic, reaching a peak in the longer term automotive traffic remaining out of the country for more than 24 hours. This was 69% heavier in the first eight months of this year than it was in a comparable period of 1948.

The greater part of the gain was at Windsor, Fort Erie, Niagara Falls, and other border points adjacent to American cities. This in turn suggests that many of the Canadian cars were on shopping visits caused by declining U. S. commodity prices and the removal of the Canadian ban on tourist imports under the $100 customs exemption which had been in effect from November 1947 to the end of 1948.

Purchases in the United States by Canadian travelers declared under the $100 exemption amounted to over $16 millions in the first eight months of this year as against $264,000 during the same period last year when the customs exemption was limited to $5 per person.

On the other side of the ledger, there are (a) substantial gain in the number of visiting Americans, featured by a 10% increase in the number entering on traveler's vehicle permits (needed if car remains here more than 48 hours or leaves by another port) (b) a much larger gain, proportionately, in the number of visitors from overseas countries, and (c) varied indications that the average spending of the short term automobile visitor has decreased, that of the long-term automobile visitor is roughly unchanged; while those entering by train, boat, airplane, and bus are spending more.

U. S. Tourist Spending

How does this add up? Total expenditures by all American travelers in Canada during the first half-year is up by "something less than 10%," though there has been less increase in Canadian prices during the current year than during the year before.

In 1948, the increase in American travel expenditures in Canada was more than offset by the rise in the cost of living. Hence American expenditures when measured in dollars of constant value showed a small decline from the year before. During the first half of 1949, however, the cost of living in Canada rose only 5% over the first half of 1948. Therefore there has been some real increase in services rendered during the first half year over the same period a year ago.

Recent revaluation of the Canadian dollar and the sterling currencies in terms of the U. S. dollar, Mr. Miller pointed out, should prove beneficial to the Canadian tourist trade by stimulating American expenditures in Canada and discouraging Canadian expenditures in the U. S. An adverse effect can probably be expected on travel account with the sterling area, but the loss in this respect is likely to be small compared to the beneficial effect upon travel between Canada and the United States.

The U. S. Viewpoint

On this point, Elmer P. Resseguie, Canadian representative of Scripps-Howard Newspapers and chairman of CAPTB's special committee on U. S. travel trends, added:

"'Why pay more when you can buy for less?' is an action-compelling thought which few Americans, who as a nation love a bargain, can resist. Canada, of course, will prove no exception."

Following a review of U. S. economic conditions generally — a pulse-point in the Canadian travel field—Mr. Resseguie gave some figures of direct bearing on travel. He said there will be 43,298,000 automobiles, trucks, and buses on the road in the U. S. by the end of 1949—an increase of 2,675,736 over the 1948 total in motor vehicle registration.

Hunting and fishing licenses in the States have been sharply increasing, with 1948 showing a handsome gain over 1947, and 1950 is prophesied to be a still bigger year when it is confidentially expected that about 25,000,000 licenses will be issued.

Domestic U. S. travel, by phsical volume, has set new records in 1949, and it is believed that still higher scores will be chalked up in future years as a result of the vacation with pay trend. However, per person expenditures have declined, and even at home, tourists have been selecting cheaper accommodations and finding less expensive ways of entertainment.

Recent enquiries made through Washington Bureaus of Publishers reveals that the repeal of the 15% U. S. tax on travel fares has little chance for immediate action by Congress.

One interesting development in the U. S. travel field has been the remarkable increase in "package sales"—a sales strategy which has proved highly successful. For example, an East Coast airline has a "Flying Fisherman Club," with all arrangements made and costs including even the chartering of a boat and the arranging of food supplies.

Need More Facts

Reporting an increase in membership from 60 to 103 during the past year, President George A. Martin called for statistical work covering the "whole tourist industry" so that its value to the national economy may be properly appraised. Such a survey, he contended, could point the way to a program of expansion where needed, either with private capital or with loans made to qualified operators by banks, if amendments were made to the Bank Act to permit such loans to be made.

For the future, he proposed setting up committees to deal with resort problems at a national level (since individual resorts are now eligible for membership in the association) and another considering tourist problems from the standpoint of Chambers of Commerce or Boards of Trade.

A committee on fish and game conservation, headed by Col. H. S. Robinson of the National Parks Service, laid down the following eight-point policy:

1. In light of the successful experience of U. S. wildlife authorities in enlisting the services of many hundreds of "amateur" conservationists, it is recommended that Canadian wildlife authorities encourage and coach similar persons to do likewise here — through conservation study groups, public talks, and motion pictures.

2. Increased appropriations by Federal and provincial governments are necessary in some cases to provide for required specially-trained personnel. As a corollary, it is hoped that in the not-distant future a Wildlife Institute may be established in Canada, patterned along lines similar to that now functioning in the United States.

3. Efforts being undertaken by many agencies for conserving woodland areas, soils, and watercourses should have full endorsation and support.

4. Simplified in wording and in designation of zones, the annual fish and game regulations of the provinces should, if possible, be made available to the public at an earlier date.

5. Game laws are devised to ensure constant and ample protection of wildlife; it is the nonobservance of them which is the most serious drain.

6. More severe penalties for illegal destruction of wildlife are called for, including sale by public auction or destruction of confiscated equipment (sometimes owners can buy back their equipment now, rather in the manner of a fine).

7. Appointment of operators of fish and game camps as Deputy Game Wardens should be considered; would enable more adequate supervision of guides and guests.

8. Fishing "derbies" should be outlawed (In a recent case, 1,100 boats with 2,800 participants were entered in a limited stretch of water).

Using Local History

A committee on Preservation and Promotion of the Historical, headed by Mrs. Ella K. Cork of Birch Island Lodge, proposed publication of a document which will guide local groups on how to go about turning their historical sites into tourist assets. In particular, she said, two questions must now be faced:

1. Are the historical development programs now being carried on sufficiently publicized and dramatized to yield their full potential as tourist attractions?

2. Can we afford to leave it more or less to chance as to whether an individual, a municipality, region, province or nation chooses to preserve our vanishing heritage? What happened to the remains of LaSalle's ship "Griffin"? What is going to happen to John Brown's house in Chatham, which is one a CPR right-of-way threatens with destruction unless a community can be moved to save it? Where are the bones of Tecumseh?

Sask., Man. Pay Highest Average Old Age Pension

What is the average monthly amount on account of the basic old-age pension now being paid in each province? In a series of questions and answers, the following information was given the House of Commons:

As at June 30, 1949:

Province	Old Age	Blind
Alberta	$32.23	$20.98
British Columbia	29.29	28.31
Manitoba	37.86	38.55
New Brunswick	30.15	38.85
Nova Scotia	30.24	38.47
Ontario	37.06	37.64
Pr. Ed. Island	26.42	26.63
Quebec	28.94	29.68
Saskatchewan	37.12	38.78
N. W. Territories	28.75	30.00

(Note: at the end of the quarter April 1 to June 30, 1949, all provinces had not completed the work of adjusting pensions in accordance with the provisions of new agreements bringing into operation the amendments to the Old Age Pensions Act passed at the last session of Parliament. The average pension paid in Newfoundland and the Yukon Territory as at June 30, 1949, is not yet available. Information for the quarter July 1 to Sept. 30, 1949, will not be completed before Oct. 31.)

2. What supplementary amounts are now being paid by each province?

According to information furnished by the provinces, supplemental allowances are being paid as follows: Alberta, $7.50 a month; British Columbia, $10 a month; Manitoba, nil; New Brunswick, nil; Newfoundland, nil; Nova Scotia, nil; Ontario, nil; Prince Edward Island, nil; Quebec, nil; Saskatchewan, $2.50 a month subject to a means test; Northwest Territories, additional assistance may be authorized if required; Yukon Territory, $10 a month.

3. What medical or other additional services are now being provided to old-age pensioners by each province?

According to information furnished by the provinces, additional benefits are provided to pensioners as follows:

(a) Medical services — Medical services for pensioners and certain dependents are provided by British Columbia, Alberta and Saskatchewan. Ontario provides medical services for pensioners only.

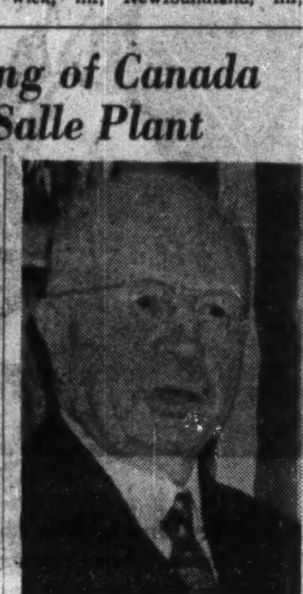
(b) Dental and optical services — Alberta and Saskatchewan provide dental and optical services.

(c) Hospital services — British Columbia, Alberta and Saskatchewan have plans under which pensioners are given free hospital care. In other provinces pensioners receive whatever hospital services are available to persons unable to pay.

(d) Homes for the aged — Ontario and British Columbia offer assistance to municipalities for the purpose of constructing homes for aged persons.

Ross Engineering of Canada Opens Ville LaSalle Plant

Progress of an expanding field serving Canadian business and industry was marked recently at Ville LaSalle, Que., when the new $600,000 plant and offices of Ross Engineering of Canada, Ltd. were officially opened. The company is a major producer of industrial air-processing systems.



J. O. ROSS

The new plant occupies an area of some 50,000 sq. ft., is of steel and brick construction and embodies such techniques in design as central air conditioning for offices and drafting rooms; extensive use of windows; inside loading for freight cars, basement garage for employees' cars and modern cafeteria.

Company was organized in 1923 and business has grown steadily both in the volume of equipment installed and number of industries served. Technically known as "Air Processing Systems," the functions of Ross Systems are probably better understood as systems for industrial heating, ventilating, air conditioning, drying, baking, dust and fume removal, recovery of waste heat and similar operations.

For years the company's activities were confined to the pulp and paper industry, with the result that today a great many Canadian pulp and paper mills are equipped with at least one or more types of Ross systems. Rapid growth of other types of Canadian industry has greatly increased the field.

Although Ross Engineering of Canada Ltd. is a Canadian corporation with its own engineering and manufacturing facilities, it has access to all developments of J. O. Ross Engineering Corp. in the U. S and Carrier-Ross Engineering Co. Ltd., England. These companies in turn have profited from the Canadian corporation's own development work.

Attending the opening was J. O. Ross, New York, founder of the business. F. W. Hooper is vice-president and general manager in Canada.

Sale is Approved Of O.L.H.P. Assets

OTTAWA (Staff)—The Ottawa Hydro Electric Power Commission has officially agreed to purchase the chief assets of Ottawa Light Heat & Power Co. Date of transfer is set for November 15.

The price of $7.6 million includes all of the company's Ontario assets except its gas works.

Shareholders of the company approved sale of the electrical facilities in Ontario for $7,600,000 at a meeting on Oct. 14. The directors were also authorized to sell the assets on the Quebec side of the boundary, but the Ottawa Gas Co. assets are not included. Date for transfer of the properties has been set at Nov. 15

Preferred shares of the company are to be called at 103 and accrued dividends, and an interim payment of $20 per share on the common stock has been ordered.

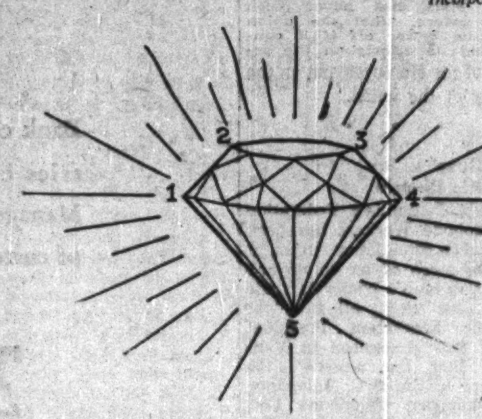
The approval was the last formal step in long negotiations between the company and the city, designed to merge the two distributing systems in the capital area. The company distributed power to several suburban municipalities.

NEW ISSUE

BRITISH GUIANA DIAMOND MINING CORPORATION Limited

(NO PERSONAL LIABILITY)

Incorporated in Canada Under PART II of The Ontario Companies' Act



CAPITALIZATION

Authorized (Par Value $1.00)	5,000,000 Shares
Issued for Properties and Cash (Escrowed 1,500,000)	1,666,673 Shares
In Company's Treasury	3,333,327 Shares

FIVE OUTSTANDING POINTS

1. Properties ready for immediate production.

2. No control on price or production.

3. Devaluation of sterling has greatly reduced operating costs.

4. Great speculative possibilities.

5. All subscriptions in full go directly into the Company's Treasury to be used 100% in the Company's interests. There are no commissions or discounts payable on shares subscribed for under this offer.

HISTORY OF DIAMONDS IN BRITISH GUIANA:

Diamonds were first discovered in British Guiana about 1887 and reports from Lands and Mines Dept. in Georgetown show that the aggregate production from 1901 to the end of 1948 was approximately 2,400,000 carats. The maximum production was obtained in 1923 when 1,141,425 stones, weighing 214,000 odd carats were produced (at present-day prices of diamonds representing about $82,000,000). It is interesting to note that the local average price for uncut stones has risen from less than $5 per carat in 1908 to about $35 per carat at the present time.

Practically all these diamonds have been recovered by native diggers, locally known as "porknockers", and the appliances used by them are of the most primitive type, being mostly composed of a tom box and shovel. Consequently, it has not been possible for them to work the deeper and richer deposits which are to be found in the river beds.

Owing to the interest shown in the more widely known discoveries of the diamond fields in South Africa, little attention was paid, until recent years, to the significant discoveries which have been made in British Guiana.

The average British Guiana diamond commands a higher price than those found in South Africa. The diamonds on the whole average around 5 to the carat and are mostly of gem quality. Stones of 2, 3, 4, 5 and 6 carats are quite common. The largest diamond of any kind yet found in the Colony was 97 carats and the largest gem stone weighed 56¾ carats. Other large stones, one over 40 carats, and one over 30 carats, were found recently in the Meamu area.

GENERAL INFORMATION ON PROPERTIES:

The area included within the boundaries of the Company's Dredging Concession and Exclusive Permission embraces the whole of the Meamu River and Mazaruni River from the conjunction of the Meamu and Mazuruni north and west for a distance of 16 miles. These properties have been carefully selected and are considered to have the greatest possibilities for large scale operations. They are known to be exceedingly rich in diamond content.

The richest deposits are those which are found in the rivers and creeks flowing from the Pakaraima Table Land. These deposits are the result of the erosion of the Kaieteurian series of conglomerates and the subsequent concentration of the gravels thereof. The Kaieteurian series of conglomerates form the major part of the Pakaraima Table Land.

The Meamu River and the Mazaruni River form natural depositories for these concentrations which contain the heaviest minerals, such as diamonds, carbons, limonite, corundum (sapphires), topaz, garnet and ilimenite. All these are found in association with the diamonds merely because of their specific gravity and, for the same reason, gold is present almost invariably in the concentrations.

Engineer's estimate of profits on preliminary operations (6 small units only) over $200,000 annually and profits on proposed large scale dredging operations over $2,000,000 per annum each dredge.

PROGRAM:

Although the presence of these very rich alluvial deposits has been known for a number of years this will be the first time that large scale development with up-to-date methods and machinery has been inaugurated.

The Company is in an extremely advantageous position inasmuch as the properties acquired are capable of *immediate production* without the long and tedious preparatory stages of prospection, etc., usual in most mining ventures.

It is proposed to install a 2½ to 3 cu. ft. bucket dredge and diamond washing pans and jigs capable of treating 750,000 cu. yds. per annum. The cost of a dredge, together with power plant, freight, installation, etc., should not exceed $500,000.

The minimum local price for smalls, i.e., 5 or over to the carat, is approximately $35 per carat. For the purpose of estimating probable recovery the phenomenal values discovered in the preliminary tests have been ignored and calculations are based on a figure of 1/10th carat per cu. yd. and the value per carat at $35, as mentioned above.

Dredge throughput per annum:

750,000 cu. yds. at 1/10th carat	75,000 carats
75,000 carats at $35 per carat	$2,625,000
Working costs at 60c per cu. yd.	450,000 per annum
Direct working profit from one dredge	$2,175,000 per annum

The size of the Company's mining concession and exclusive permission would permit of the installation of 3 or 4 such dredges. A very conservative estimate of the yardage available in both properties is estimated to be well in excess of one hundred million cubic yards.

Further, it must be noted, that gold is present in all these deposits in such quantities that the recovery of gold alone should more than cover the whole of the operating costs of a dredge. The proposed plant will be capable of recovering not only the diamonds but also the major percentage of the gold.

British Guiana is one of the few diamond producing countries of the world where the output and market price are not subject to any control whatsoever.

During the interval necessary for the construction of a large dredge and power plant, it is proposed that a number of small spoon dredges should be put into operation immediately. These appliances are easily and cheaply constructed locally and the cost should not exceed $10,000 each, installed and operating.

Major Lewes estimates each unit should be capable of treating a minimum of 1,000 cu. yards a month and produce some 100 to 150 carats per month. It is proposed to install a minimum of 6 of these units while waiting for the large dredge.

Throughput from 6 units at 1000 cu. yds. each per month: 6000 cu. yds.

6000 cu yds. at 1/10th carat	600 carats per month
600 carats at $35 per carat	$21,000.00 per month
Working costs at 60c per cu. yd.	3,600.00 per month
Direct working profit from 6 units	$17,400.00 per month

(All calculations and estimates are in British Guiana currency.)
(Made before devaluation—increase minimum 20%.)

These small spoon dredges will be used chiefly in carrying out a series of bulk tests throughout the concessions while preparing for the installation of the large dredge or dredges to follow.

DIRECTION AND MANAGEMENT

The operating management of the Company will be in the hands of men who have had a lifetime, experience of alluvial diamond work, including some 25 years of actual experience on the diamond fields of British Guiana, both in production and also marketing in the world's markets.

OFFICERS and DIRECTORS: President, FREDERICK JOHN ROBERTS, Mining Executive, formerly with De Beers Diamond Mining Co., South Africa, Toronto, Ontario; Director, CLEMENT KRAKOWSKY, Diamond Merchant and Cutter, Georgetown, Br. Guiana; Director, EUGENE FRANCIS CORREIA, Diamond Buyer and Government Mail and Cargo Contractor, Georgetown, Br. Guiana; Director and Treasurer, WILLIAM JOSEPH AYERS, Chartered Accountant, Toronto, Ontario; Director, ERNEST GORDON ARNOLD, Barrister-at-Law, Toronto, Ontario; Director, JOHN STUART McKINNON, Barrister-at-Law, Toronto, Ontario; Director, JOHN WANLESS McMASTER, Barrister-at-Law, Toronto, Ontario; Secretary, I. KEITH, Toronto, Ontario.

Consulting Engineer DAVID LEWES, B.Sc., Georgetown, B.G.

Recent Press Release October 1st, 1949; LONDON (Reuters): All gem diamonds will cost substantially more in London because of the devaluation of sterling and the South African pounds, the Diamond Trading Company announced. Increases have been fixed for all qualities and sizes of diamonds.

THE COMPANY IS OFFERING

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Telephone: ADelaide 5051

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British Guiana Diamond Mining Corporation Limited,
(No Personal Liability)
600 University Avenue, Toronto, Ontario.

☐ Please forward to me complete details regarding British Guiana Diamond Mining Corporation Limited (No Personal Liability) including Statutory Information.

Name ....

Adress .... F.P.

ORDER COUPON:

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600 University Avenue, Toronto.

☐ I hereby subscribe for .... shares of British Guiana Diamond Mining Corporation Limited (No Personal Liability), at $1.00 per share and enclose my cheque for $ .... which is to be applied in payment for the shares on receipt by me of particulars and statutory information.

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LABOR ROUNDUP

BY RONALD WILLIAMS

Canada Virtually Free of Strikes Million Tramp Picket Lines in U. S.

The full effect of the United States steel strike has yet to be felt in Canada, but in one direction, the pinch has been sharp and painful: last week, the Canadian staff of the CIO United Steelworkers had their pay cut off for the duration.

None of those hit was surprised. In industry-wide strikes, it is the policy of most international unions to stop the pay of officers and organizers until it is over. For those affected, the strike now had another impact: how long am I going to be without pay?

Most guessers were saying "quite a while yet." No one could see it ending in less than two weeks and many were talking in terms of two months or longer. At midweek, the outlook seemed to be darker, not brighter. On Monday, 16,000 aluminum workers struck, making nearly one million idle.

Meanwhile, Canada was virtually strike-free. Time lost during August and September was the lowest for that period since 1941, according to the Federal Labor Department's monthly summary of strikes and lockouts. And one stoppage — the lithographers' strike — accounted for more than half the total time lost. Altogether, there were only 11 strikes in effect at the beginning of September.

Since then, a wildcat strike by 3,200 in Peterboro, Ont., plant of General Electric and walkout of 900 at Toronto's Dunlop Tire and Rubber, have put a slightly darker complexion on industrial relations.

• • •

Rand Formula Dunlop Issue

The Dunlop strike appeared to be over the issue of the Rand formula. The CIO United Rubber Workers' Union, was after what it vaguely referred to as the "modified Rand Formula." The company offered the irrevocable checkoff. What the union wasn't saying was the kind of Rand formula it wanted was one shorn of all the provisions in the original for penalties against the union and workers who violated it. Also it wasn't advertising that this was the thin edge of the wedge to force this form of union security on the whole rubber industry.

Ironically, the union chose as a guinea pig the one firm which it did not strike during the industry-wide walkout in 1946 for higher wages. Now Dunlop is the only firm in the industry facing a strike. It came too, just when James I. Simpson, president and general manager was relinquishing the managerial reins to David Collett, who arrived from England this week to land squarely in the middle of the strike. Until the dispute is settled, Simpson will continue as general manager.

This week, Simpson said: "There is no sign of weakening by us or the union." Then he outlined events leading up to the break. Unable to negotiate a settlement, the union asked for a Board of Conciliation. Last week, it recommended a raise of 5c an hour (union wanted 12c), and the irrevocable checkoff. (Union originally asked for union shop). Although the terms were more than the company was originally prepared to offer, the recommendations were accepted. The union said, No.

Deadlocked on union security (they were close on pay), the strike began last week. "Seems to me," said kindly James Simpson whose plant has never been struck before, "that the union would be better off if it concentrated its efforts on the security of the employee, not on the security of the union."

• • •

Line Busy On B.C. Phones

British Columbia's Federation of Telephone Workers has been regarded in some labor circles, at least, as more of an employee's association than a bona fide trade union. Last week, all this was changed. Federation President Robert Bell announced in Vancouver that the union's 3,100 members in the B.C. Telephone and Okanagan Telephone Cos. will soon vote on joining the CIO Communications Workers of America. Already well-established in the United States, the CIO union has yet to venture across the International border.

In announcing the vote, President Bell stated the CIO organization had been fully investigated and it is a 100% democratic institution completely free of any 'isms or un-American thinking."

Reasons given for the merger: "The Bell System controls most of the Canadian telephone properties and has interests in many others. These companies see fit to band themselves together . . . for the protection of their interests. If unity is good for telephone companies, then certainly it must be good for employees."

• • •

Management Service

As director of the United States Mediation and Conciliation Service and now engaged in trying to settle the steel dispute, Cyrus S. Ching knows what he is talking about when it comes to how labor and management stack up in presenting their cases.

His opinion: ". . . unions come into negotiations better prepared . . . than employers . . . they frequently have a more persuasive background of figures and facts . . ."

To help correct this situation, a unique management-information service has been started by the Industrial Relations Service Bureau of Chicago. Every two weeks, it publishes a four-page report called CIO Steelworker Trends. It deals with contract settlements, arbitration awards, court and administrative decisions and other labor developments involving the CIO United Steelworkers.

The goal is to arm management with special news facts and valuable background information on contract and wage negotiations. The newsletter is the baby of Edward A. Egan, former director of industrial relations for General American Transportation Co. Now the Bureau is preparing similar services for the automobile and electrical industry.

• • •

Labor Briefs

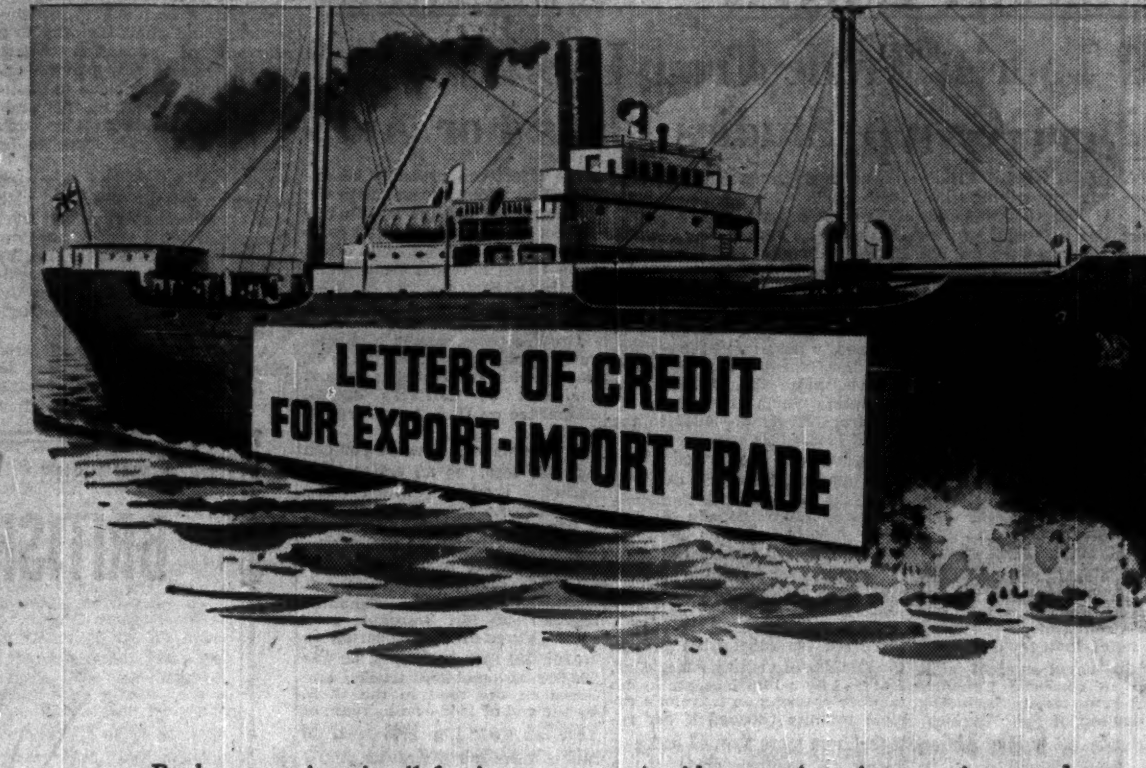
Toronto's 900 printing pressmen and their AFL union are again deadlocked with employers on wage and contract demands for a 10% pay raise and reduction in the work week from 40 hours to 37½. Application for conciliation has been made. Last year's dispute climaxed in a lengthy strike.

• • •

Communist Val Bjarnason, Ontario organizer of the AFL Textile union, has dropped his appeal against a $3,000 award in a libel and slander suit won by Sam Baron, Canadian director of the rival and Communist-hating CIO Textile union.

• • •

United States Immigration authorities have closed border gates to three more leftwing Canadian unionists: veteran Communist Steve Anco, president of CIO Auto Worker's 4,000 member local in Toronto's Massey-Harris plant; John H. Bettes, business agent, local 507, Communist-line CIO Electrical Workers and Stanley Thornley, president CIO Rubber Worker's local in Toronto's Gutta Percha Plant.



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INDUSTRIAL LIFE APPOINTMENTS

R. BOURBONNIERE

G. J. HEFFERNAN

H. BRULL

The INDUSTRIAL LIFE INSURANCE COMPANY announces the appointments of three new Montreal district managers for its Ordinary Branch. Messrs. R. Bourbonniere, manager of the Montreal-Laval district, and G. J. Heffernan, manager of the Montreal-Centre district, have their offices located in the Castle Building, 1410 Stanley Street. The offices of Mr. Harry Brull, manager of the Phillip's Square district, are located at 1255 Phillip's Square. *

Hide, Leather Prices Buoyed By Devaluation

The Canadian hide market has been affected considerably by recent currency devaluations, in some instances rising to levels of the U.S. market, L. Paul Duchaine, retiring president of the Shoe Manufacturers Association of Canada, told the 31st annual meeting in Toronto this week.

"Such a situation lends itself to a strong tendency to export hides to the U.S., thus keeping the hides and leather prices extremely firm in Canada."

Shoe production figures for the association's year, just ended, were over 14% higher than in 1948. In the coming year pairage will likely be maintained and probably increased. Approximately 20,000 workers are being employed in the industry.

In comparing the footwear situation in Canada with that of the U.S. it was said that "Our better position may be due perhaps to the fact that Canadian shoe prices never reached the peak of U. S. prices. Our industry, in prices and production has kept on a more even keel. In the U. S. excess production occurred when highest prices prevailed. Recent re-adjustments in the U. S. have been brought about by a more realistic method of pricing and more normal production."

Regardless of general increases in over-all costs, material, production and overhead, the shoe industry had succeeded in maintaining reasonable price levels, Mr. Duchaine said. As in 1948, so in 1949, D.B.S. figures showed that the industry had held the price line so well that it had contributed less than any other to cost-of-living index increases.

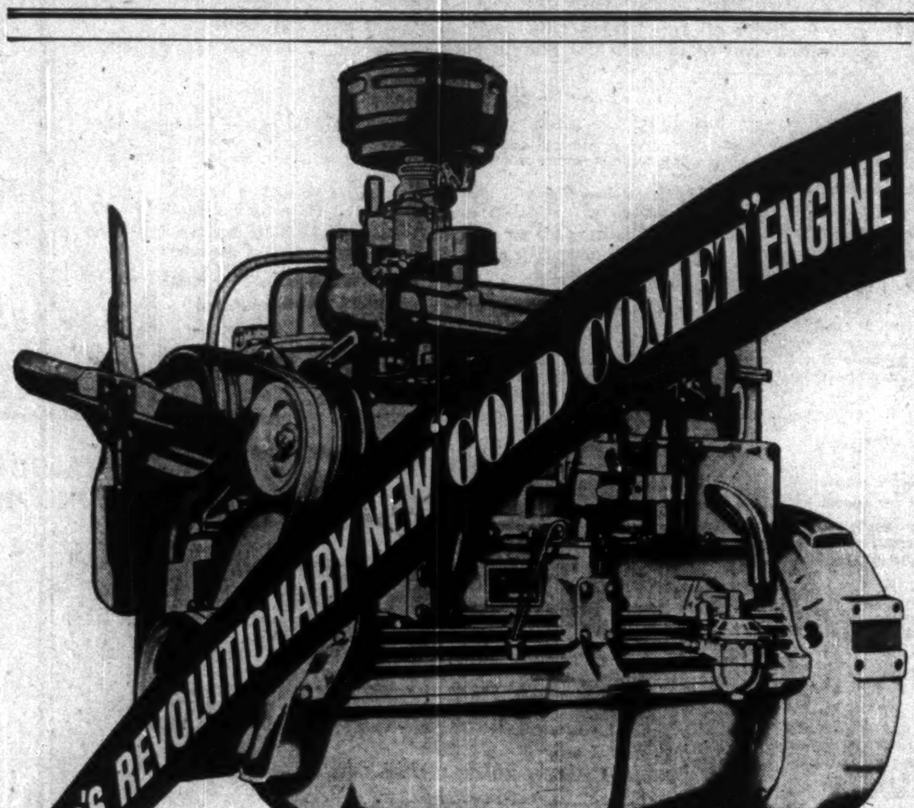
Quota systems of sterling areas, and "vexatious red tape custom regulations" of certain countries, have created a sizeable reduction in export. In 1947, 2,667,175 pairs of shoes were shipped to 47 countries. By 1948 this figure had dropped to 1,342,790 pairs. This had been a set-back to the industry and the hope was expressed that the Government would take steps, not only to establish new markets for the industry in the sterling areas, but would also make strong representations in other countries to prevent discrimination in the form of awkward and ancient methods of customs regulations.

Three different opportunities helpful to the shoe industry were cited by Dr. Lelyveld, Chairman of the National Foot Health Council of the U. S.

1. Development of special types of functional shoes.

2. An industry-wide development of a complete shoe wardrobe for adults and children, to include three to five pairs, depending on the individual's means and activities.

3. Education of children at the school level on the care of their feet and selection of footwear.



MOST POWERFUL TRUCK ENGINE OF ITS SIZE EVER BUILT

It's power-packed and mighty . . . rocketing, surging, two-fisted POWER . . . POWER to spare . . . POWER to take you places swiftly, surely and economically under all operating conditions. Everywhere men who know trucks are discussing REO'S amazing, new "Gold Comet" heavy-duty truck engine. Tested, tried, and proved in the field, this mighty, valve-in-head, power-packed engine features the "wet sleeve" principle. It sets entirely new standards for heavy-duty truck performance.

REO'S "Gold Comet" engine is the most spectacular major truck development in 25 years. Developing 140 horsepower at its governed speed of 3200 r.p.m's, it delivers an unusually flat torque.

See your Reo representative for complete details or write REO MOTOR COMPANY OF CANADA LTD., Leaside, Toronto.

REO
TRUCKS AND BUSES

Faith IN CANADA

J. Cecil McDougall, Architect

Molson's Brewery Limited, founded in 1786, continues to have faith in Canada. This Company recently added a modern bottling plant to its facilities at Montreal. The Foundation Company of Canada Limited, chosen as contractor by Molson's to give material form to this expression of faith, is proud to associate itself with the constant progress of Canada's oldest brewery.

THE FOUNDATION COMPANIES CANADA
ENGINEERS AND CONTRACTORS
TORONTO · MONTREAL · HALIFAX

Like John Lund . . .
You'll star in the
STETSON
Stetsonian
Ask your Stetson dealer about Stetson National Gift Certificates
JOHN LUND, CO-STARRED IN "BRIDE OF VENGEANCE"
A PARAMOUNT PICTURE
More people wear STETSON HATS *than any other brand*

THE ADVERTISING BUSINESS — By WALLACE GILLESPIE

Is Management Delay Losing Ad Results In Stay-at-Home January and February?

Are advertisers missing a good bet when they don't put their products before the public in the stay-at-home months of January and February?

Results from coupon-bearing ads during this period indicate that they are.

Offering $100 cash prize for the best recipe of the month, Canada Packers Ltd. has been running half-page magazine ads in black-and-white since June, 1947. A January issue advertisement produced the most returns—about 120% more than the average for the preceding seven months. In the second year, the January half-page brought in 13,791 letters which was 5,812 more than the average of the other months of the year.

Similarly, a book club gained a high regard for January advertising after it had checked on a monthly basis (a) cost per coupon returned and (b) cost of each sale eventuating from the coupons.

These examples give an up-to-date meaning to Dr. Daniel Starch's exhaustive work on this topic. That New York research consultant once worked out monthly breakdowns on 3,998,245 coupon returns from 2,500 magazine and newspaper ads. Taking the year's average as 100, his index showed January at 120, February at 130, and March at 121, as a reading- and pulling-month.

Why Reduce Advertising?

Why, then, this illogical situation of low advertising at a time of proportionately good sales?

—Of retail sales handled during the first half of this year, 27.1% were rung up during January and February.

—Of the selling effort exerted in the same half-year (as indexed by national advertising in publications of all kinds) only 22.7% was made during January and February.

Among opinions expressed to The Financial Post was this viewpoint:

The early-year letdown is part of a bigger problem, solution of which rests upon a better understanding of advertising as a business tool. It will end when management learns that selling work left undone at any time of the year when sales of the company's product can be made is opportunity forever missed, profit not earned.

The January-February lag in sales effort comes about in several ways.

There are the people with a "take it easy" attitude around the year end or, if they don't admit to that frame of mind for themselves, they assume it to be rampant in other offices, hence work merely gets behind.

In other firms, the year end is a time of sales meetings, officers' meetings and other goings-on which often amount to a pause in actual sales effort.

Most common reason for the year-end lag is that management doesn't do its planning soon enough.

See what happens.

In many companies, particularly where the experience in advertising is limited, drafting and/or approval of advertising budgets is held up until after the New Year when, as so many company presidents have some time said, "I'll have a better chance to size up the outlook."

Apart altogether from the lack of logic in that point of view which suggests that a guess about the outlook is better and wiser because the calendar reads January instead of December or November is usually another fallacy.

That is the fallacy that the proper yardstick for setting advertising budgets is the "per cent of sales." That is the same kind of upsidedown thinking that would cut down the number of hours of sales work done when sales were falling.

More and more firms whose managements are experienced in advertising and in how to get maximum value for the dollars spent are changing their habits.

Now some of the smart operators are getting their advertising plans for the following year finalized by October. The program can, of course, always be revised later on if necessary.

Gains by Looking Ahead

What are the advantages of this forward planning?

One major advantage is that you will be getting your advertising production done before the Johnnie-come-latelies swarm in on the advertising industry with their hastily drafted schemes.

The forward planners get advertising copy writers and artists at a period of the year when they have time to do good work on your assignment.

The forward planners have their work going through engraving plants when the various processes can get the close attention they need.

Particularly important, the forward planners have a minimum of those overtime charges which, in the engraving industry, can add so enormously to advertising costs.

Take a black-and-white engraving, for example. Its preparation involves some seven or eight operations. Each is sufficiently specialized that it is handled by a single skilled workman. In the normal working day, one of these workmen may spend a scant 10 minutes making his contribution to a small engraving and then pass along to do the identical job on someone else's work. But, if the advertiser or his agent wants to meet an insertion date, it may be necessary to recall that workman to perform his brief, but necessary, part of the finished job. For this chore he would probably get at least two hours pay at overtime rates. The advertiser may end up with a $50 overtime bill on a $15 job.

With four-color work, a man recalled for overtime work will likely put in a longer period of uninterrupted work, hence the distortion ratio will not be as great. Nevertheless, as much as $150 to $200 overtime has been charged on a $450 job.

Keeping an engraving plant geared up to handle a big flow of rush jobs adds enormously to overhead and is a major reason for increasing costs.

As one engraving man said: "If advertising and management men would do more of their thinking ahead of time, they'd live longer and save money."

Effect on All Promotion

"Late-thinking" brings its penalties, not only in advertising production. It prejudices the entire promotion plan.

It may be known, for instance, that direct mail on a particular product will produce best results if it reaches its destination on a particular day. If delays make it necessary to switch to first-class mailing, there is unnecessary addition to costs. Loss of momentum from earlier sales efforts is also costly. One firm which had kept to regular mailing dates for promotion pieces found that missing a date meant $300 a day in missed sales.

Early year advertising has another advantage which alert companies are grasping.

It is around and after the year-end that many firms hold their sales meetings. An important part of any good sales meeting is the introduction of salesmen to the advertising campaign—its nature, its theme, its emphasis.

Forward-planners show their advertising at sales meetings, tell salesmen how they can use it as a selling point with distributors and retailers.

This important opportunity is, of course, completely missed by the people who leave their thinking too late.

Three of Canada's largest and most effective advertisers are so conscious of the importance of forward planning that their work started last May for next year's programs.

Need of Steady Program

The in-and-outers are another group of advertisers who give themselves needless trouble and who don't get best value for their advertising dollars.

These are the people who, after deciding on a total appropriation, spend the money on a few insertions here and a few there, or who may stick to one medium, but spend their money in eight or nine months rather than over the whole 12.

Why? Most staple foods have no seasonal aspects and family purchases are fairly constant throughout the year.

Surveys time and again have demonstrated that family purchases of capital items, such as cars, refrigerators, etc. are usually the result of considerable deliberation and that the choice as between various makes is almost always the result of months of conditioning by advertising.

Impressions built up during the "lots-of-reading" months, January and February have served the alert advertisers very well indeed.

Here's the proof that too many advertisers are missing bets in their scheduling practises:

January accounted for 13.9% of retail sales the first half of this year, but that month saw advertising lagging with only 9.1% of the half-year appropriations spent.

A glutton for punishment, powered by a Diesel engine with matchless lugging ability and stamina — this is the tractor for you to use on heavy, back-breaking jobs. The International Crawler, with broad-gauge stability, balance and geared-to-the-ground traction, is the worker you need . . . Its powerful engine takes tough work in stride, with increased torque for heavier lugging when the load demands it. All-weather starting, advanced-design combustion, full pressure lubrication and other features make it *your* obvious choice among tractors! Your International Industrial Power Distributor can supply the *right* size with *matched* equipment, now.

An International TD-14 Diesel puts these rocks in their place with its hydraulic blade in clearing a right of way. It also does other construction work and helps to stockpile coal.

Standardize on Power that Pays

INTERNATIONAL HARVESTER COMPANY OF CANADA LIMITED
HAMILTON ONTARIO

CRAWLER TRACTORS
WHEEL TRACTORS
DIESEL ENGINES
POWER UNITS

INTERNATIONAL INDUSTRIAL POWER

DISTRIBUTORS: B.C. Equipment Co. Ltd., Vancouver, B.C.; J. S. Galbraith & Company, Vernon, B.C.; Central Truck & Equipment Co., Nelson, B.C.; East Kootenay Equipment Co., Cranbrook, B.C.; Territorial Supply Co. Ltd., White Horse, Yukon; Industrial & Road Equipment Ltd., Calgary, Alta.; R. J. Fyfe Equipment, Regina, Sask.; Kane-Marr Company, Winnipeg, Man.; Twin City Industrial Equipment Ltd., Port Arthur, Ont.; W. G. Reid, Fort Frances, Ont.; Soo Garage, Sault Ste. Marie, Ont.; W. L. Ballentine Co. Ltd., Toronto, Ont.; Chas. Cusson Limited, Montreal, Que.; Lounsbury Company Ltd., Moncton, N.B.; J. Clark & Son Limited, Fredericton, N.B.; Industrial Machinery Co. Ltd., Halifax, N.S.; Corner Brook Foundry and Machine Co. Ltd., Corner Brook, Newfoundland.

The Canadian
Chartered Accountant
10 ADELAIDE ST. EAST TORONTO 1, ONTARIO

ARTICLES THIS ISSUE

Income Taxation in the United Kingdom and Canada • Stockholders' Equity • Disclosure of Partners' Liability for Income Tax
and other articles
— AND —
THE TAX REVIEW
Latest Tax Decisions and Regulations

OCTOBER
$5.00 a year Issue $5.00 a year

PERMANENT ADVERTISING
DOOR OPENER GIVE AWAY
Present conditions require that trade names or company names be anchored in potential buyers' minds. Possibly a can opener, bottle opener, ashtray, jelly mould or even a cake pan with your name on it would be an ideal means of serving that purpose.
Our plant, and our experience in this field are at your service.
METALITE COMPANY LTD.
CAP DE LA MADELEINE QUEBEC

Newfoundland Studies Plans To Make Work This Winter

By RUPERT JACKSON

ST. JOHN'S—A serious unemployment problem faces the provincial government in Newfoundland. In the words of Premier J. R. Smallwood, Newfoundlanders face "a hard fall, a hard winter and a hard early spring."

There are three reasons:

(1) Fishery was poor in some sections of the island and there is no secondary form of employment to take up the slack.

(2) Both Anglo-Newfoundland Development Co., and Bowaters (Nfld.) Pulp and Paper Mills, Ltd., have reduced their wood cut, and consequently reduced the number of loggers required.

(3) 600 employees are due to be laid off at United States Air Force bases here.

Last week major Cabinet discussions centred around the problem as the Premier and his ministers sought an answer to the problem without resorting to government relief—the hated "dole." But no concrete proposals are yet forthcoming.

Smallwood himself has come up with an idea but it is not a popular one. He proposes to put men to work on building and maintaining roads by pick and shovel. In this he claims that more men will be employed, and while less will be accomplished than would have been by use of modern machinery, more money will go into the men's pockets.

Main trouble is that unemployment insurance is not applicable to the men who are affected by the situation. Fishermen are not eligible for insurance anyway, neither are the base workers, and the loggers get only "unemployment assistance," not the full benefits of unemployment insurance.

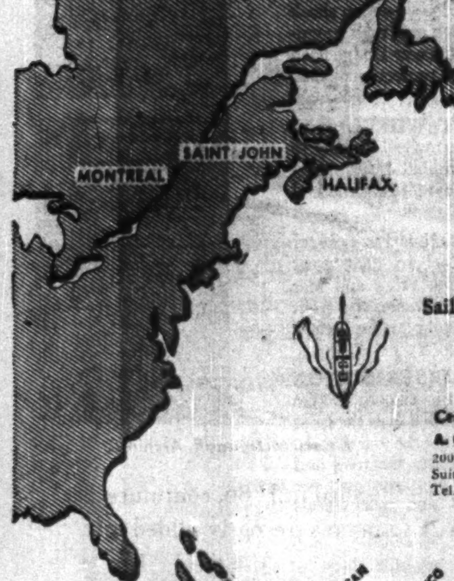
Another problem regarding unemployment facing the Cabinet here is determining the exact degree of unemployment and its distribution. Until that is known the Government cannot take decisive steps towards combatting it.

It is hoped, however, that some slack will be taken up in the future through public works projects. These will be on both a Federal and provincial scale. While the province will probably stick to road work, the Federal Government has authorized spending $300,000 for marine and other works in Newfoundland.

REGULAR FREQUENT CANADIAN FREIGHT SERVICES

to and from

CUBA — *Puerto Rico
BR. HONDURAS — DOMINICAN REP.
GUATEMALA — HAITI
COSTA RICA — *Guadeloupe, Martinique
PANAMA — CURACAO
COLOMBIA — VENEZUELA
*occasional calls



Sailings from Montreal and Quebec (*in season*), Saint John and Halifax (*year round*).

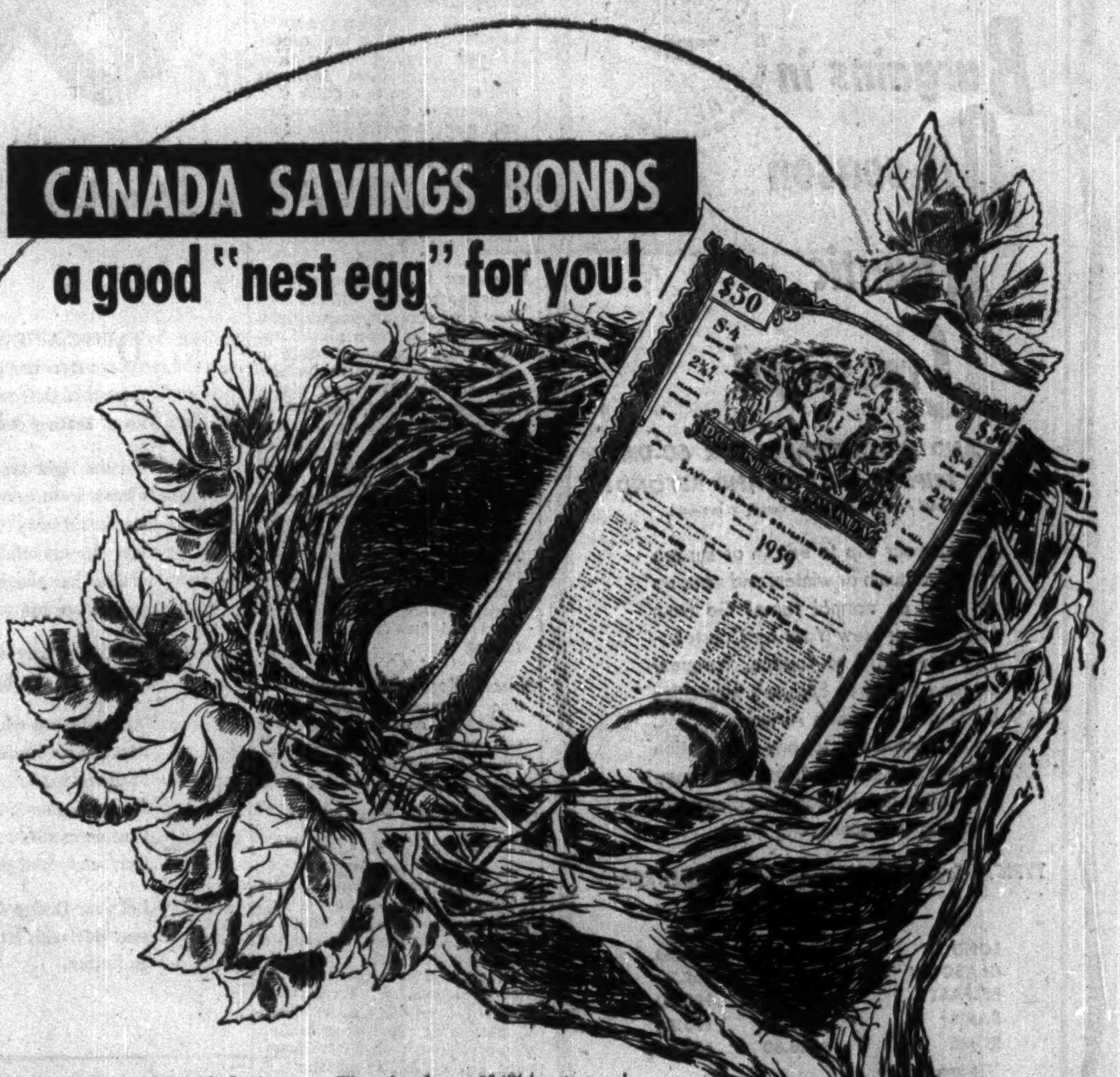
AGENTS IN ONTARIO

Central Ontario— A. O. MINSHALL CO., LTD., 200 Bay St., Suite 102A, Toronto, Tel. AD. 2422-3
Windsor Area— GERALD T. MURDOCK CO. LTD., Douglas Building, Windsor, Tel. CHerry 1850

SAGUENAY TERMINALS, LTD.
1700 Sun Life Building • Montreal
Tel. BElair 1571
Trade Development—Local 48
Bookings—Local 383
Rates—Local 208

SAGUENAY TERMINALS

CANADA SAVINGS BONDS
a good "nest egg" for you!



The Fourth Series of Canada Savings Bonds will be available at any branch of this Bank on or after October 17th until the offering is withdrawn. These bonds are backed by all the resources of Canada and we recommend them as a safe investment.

You can pay cash or arrange payment on the monthly instalment plan, or finance the original purchase by a loan from us, at the coupon rate up to November 30th, 1950. You may purchase up to $1,000 (but no more) in any one name.

These bonds pay 2¾% interest each year for 10 years, and are registered in your name, providing protection against loss. You can cash Canada Savings Bonds at full face value, with interest, at any time at any branch of the Bank of Toronto or at any branch in Canada of any chartered bank.

Planned Saving is good common sense. We suggest that you make the Fourth Series of Canada Savings Bonds a part of your own "nest egg".

THE BANK OF TORONTO
Incorporated 1855
L. G. GILLETT, General Manager

1A-49

BILL: By the way, Jack, I got a circular in my mail today about those "Welcome" Food Parcels that so many people are sending over to England nowadays. Suppose you and I step out of character, just for once, and tell all the readers of Financial Post about them. What do you say?

JACK: I'd say it was a good idea! Many of those readers already send parcels to England, and would be glad to know about a service that you and I honestly believe gives people so much more for their money.

BILL: Sure enough! I wish all of them could see the new Christmas circular that I received. Such a well-chosen selection of food, the very things English homes want most—Boneless Sliced Turkey, good Canadian Pork, solid meat; Butter and Cheese, Christmas pudding and Christmas Cake.

JACK: — not to speak of Chocolates, Tea and Sugar, Shelled Nuts for dessert and Fancy Coconut, just the very things that mean *"Merry Christmas"!*

BILL: Yet the prices are much less than one would expect to pay, and they include the insurance, packing and contents, with safe delivery in Great Britain or Northern Ireland absolutely guaranteed.

JACK: I wish more people knew about the "Welcome" line of Food Parcels—business firms, too, who send gifts to their connections in Britain at Christmas. It would save them trouble, assure them of top-quality foods, and save them money. How can we let them know?

BILL: Well, we could say, both together and loudly, "Hello, readers,

IF YOU WANT COMPLETE INFORMATION ON THE "WELCOME" FOOD PARCEL SERVICE, PLEASE TELEPHONE OR WRITE FOR OUR CHRISTMAS CIRCULAR.

CANADIAN-EUROPEAN FORWARDERS LTD.

Canada's Leading International Freight Forwarders

Empire Building
TORONTO 1

EL. 5491*
(4 lines to Central)

IN TORONTO . . .
CARS and TRUCKS FOR RENT
CALL
car-U-drive
100 RICHMOND STREET WEST TORONTO, ONT.
COMPANY LIMITED
AD. 5733

Bargains in Off-season Atlantic Crossings!

SPEEDBIRD SPECIAL

FALL AND WINTER FARES FOR 60-DAY ROUND TRIPS TO BRITAIN AND BEYOND!
(Valid until April 30, 1950. Full details on request.)

●Plan your trip to Britain or Europe for this autumn or winter, and save up to 25% on normal fares! Go from Montreal or New York by Constellation Speedbird to London. Frequent onward flights to Europe's key cities by British European Airways. BOAC through-bookings to any destination include stop-over privileges or complimentary hotel accommodation while awaiting first connecting flight.

TYPICAL SAVINGS ON FARES FROM MONTREAL

	Excursion Round-Trip Fare	You Save
LONDON	$492.80	$173.20
GLASGOW	460.60	162.20
BELFAST*	477.30	163.50
PARIS†	522.20	183.40
ROME	636.80	158.80

*BEA from Glasgow
†BEA from London

B·O·A·C
TAKES GOOD CARE OF YOU

Your Travel Agent is our local office. Information and reservations also at BOAC—Laurentien Hotel; MONTREAL; 11 King St. W., TORONTO.

BRITISH OVERSEAS AIRWAYS CORPORATION

What's New

New Products, Applications, and Ideas Gathered from World-wide Sources or Made in Canada for the First Time

Child's Movie Projector

Movie projector, safety-designed for children, is said to bring colorful Walt Disneyland films to children in a small, inexpensive package. Projector, weighing only one pound, operates with a patented transfer device which enables four minutes of action to be pictured on an 11-in. film strip. This is equal to 50 feet of 8 mm. film, but price of films will be only fraction of that for conventional-type films, New York makers claim. Film said to be extremely tough; is guaranteed non-inflammable. Images are placed in vertical and horizontal rows to achieve compactness. Each film strip packaged with its complete story plot.

* * *

Grinder-Foodchopper

Hand-operated grinder-food-chopper mill features cutter knives of hardened carbon steel. Cuts, rather than crushes, chopped meat. Unit grinds wheat, coffee, barley, rice, cheese, bread crumbs, etc.; cuts raw and cooked meats, potatoes, onions, fruits, etc. New York maker states. Grinding discs are made of heavy white iron. Parts are protected by heavy coating of pure tin.

* * *

Checkwriter

Pocket-size "Executive Checkwriter" punches large, indelibly inked figures into fibres of a blank cheque. Is small enough to fit in desk drawer along with a cheque book. Weighs 6 oz., measures 7 in. x 3 in. x 1 in. Simple in construction and operation, Philadelphia maker states.

* * *

Uses Vacuum Principle

Towel racks, pencil sharpeners or soap dispensers may be attached to glass or tile walls with "Screw-Vac." Suction cup is pressed against wall, then bolt in centre of cup is tightened. End of bolt pushes against wall and sets up a tension between it and the cup. Tension strengthens the suction grip and holds the attachment permanently in place, California maker states. Claims device can't damage polished or painted surfaces.

* * *

Stove Has New Features

Electric range being introduced by Cleveland company has several unique features including: adjustable lamp which slides up or down, flooding fluorescent light on any desired part of range top; a deep-well cooker with an exclusively-designed base, which raises the heating unit, hot or cold, without use of hooks or tongs; warming drawer, placed waist high, with a 1,000-watt, thermostatically-controlled unit, said to keep rolls, biscuits, etc. from drying out at same time it keeps them hot.

* * *

Motor Reverser

"Reverswitch" makes it possible to start split-phase and capacitor-start motors in either direction, reverse them instantly, and bring them to a quick stop. No gears or clutches necessary, only a slight modification of the control switch on the motor, Oregon maker states. Switch, measuring about two square inches, is said to fit most standard fractional-hp. motors. Action is entirely mechanical.

* * *

Machine Folds Plastics

"Thermocreaser" offered by New York company makes right-angle folds on sheet plastic materials used in manufacture or assembly of rectangular containers and other types of plastic packages. Folds of less than 90 deg. may be made by adjusting temperature of the folding blades, or by altering shape of groove in the folding die. Temperatures of the forming blade are controlled by an adjustable thermo-switch. A dial-type thermometer indicates exact temperature of the blade. Operator works machine from a sitting position; swings foot pedal backward and forward to complete folding cycle.

* * *

Small Power Digger

The Sherman Power Digger, which can be installed on rear end of a tractor in about 45 minutes, operates from the power take-off of a tractor. Is said to do the work of 10 men with picks and shovels. To put digger into operation, tractor's engine is set at half throttle. All digger motions are hydraulic, so there are no gears, cables or clutches. Standard-sized shovel cuts an 18-in. wide trench and has capacity of 3½ cu. ft. of dirt, Michigan maker states. Can be operated at rate of 50 ft. an hour at a 6-ft. depth; can be manoeuvred through an arc of 93 deg.

Manufacturers of products which are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respect it is new, and indicate its significance to its field.

Enquiries concerning items in this column should mention the heading to the item, and the date of issue in order to ensure prompt reply.

* * *

Long-Wearing Gauge

A standard line of chromium-plated gauges said to wear longer than steel and cost 50% to 75% less than previous chromium-plated gauges, is offered by Connecticut firm. Tolerances in the plating process are closely regulated. Gauges come in cylindrical plug and ring types. When gauge is worn past its working limits, manufacturer will replate the unit and customer can get it back at half the list price.

* * *

Press Feeder

Hydraulic-operated tilt table feeds 6,000-lb. loads of steel sheets to an inclined press and positions the top sheet for loading into the machine. Platform that carries the load measures 30 in. wide by 90 in. long. Two 15-in. end extensions increase length to 120 in. In lowered position, platform is level for easy loading sheets. By operating a hydraulic foot pump, operator tilts platform and then raises it at an angle to position top sheet to the press. Operating the foot pump when required keeps top sheet always in a feeding position until whole pile is used. Backstops at right angles to platform support load without binding the top sheets, New York maker states. Three simple adjustments said to predetermine the lowered height of platform and the angle which platform raises.

G. M. "DON" PARKE

vice-president Consolidated Truck Lines, has been elected president Ontario Automotive Transport Association.

* * *

Magnetic Pin Bin

Colorful plastic container which is built around a permanent magnet core, holds in its five bins or compartments all kinds of steel items such as bobby pins, hair pins, straight and safety pins, needles, etc. Walls of each compartment consist of a lifetime magnet holding the contents upright and preventing spillage even when case is tipped upside down, Buffalo maker states.

* * *

Record Brush

Imprinted record brush for all types of recordings is manufactured by Philadelphia company. Was developed for use on the new 33 1/3, 45 and the conventional 78 rpm records. The short pile material will cleanse records and remove lint and dust particles from the fine grooves of the new Vinylite recordings, thus eliminating friction and static caused by dirt, maker states.

* * *

Data Book

Link-Belt Ltd., Toronto, announces entirely new 112-page detailed catalog and engineering data book covering company's complete line of ball and roller bearings. Gives important construction features, list prices, weights, load ratings and all necessary dimensions for the various standard models available. Selection of right bearing for specific service greatly simplified, and a wealth of engineering information is given, including pages of selection examples and drawings of typical applications, the company states. Available upon request.

A. A. Kirk President Toronto Bond Traders

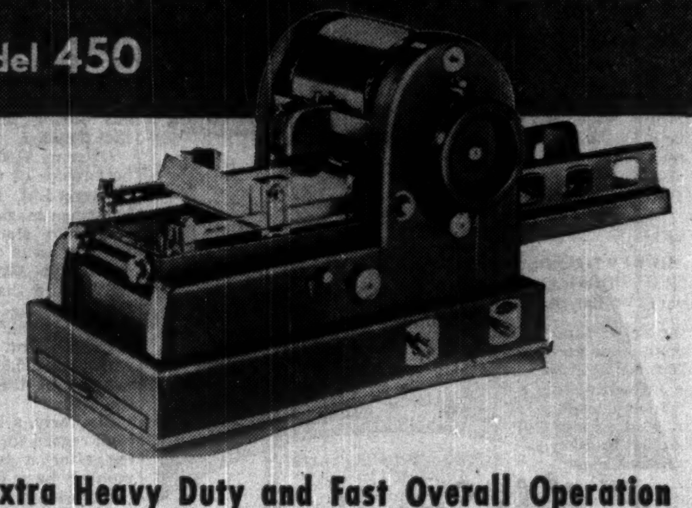
A. A. Kirk, Fairclough & Co., was elected president and Charles L. Gundy, Wood, Gundy & Co., honorary president of the Toronto Bond Traders' Association for the coming year.

Others elected were: honorary vice-presidents, W. T. Bartlett, Bartlett, Cayley & Co., and Paul R. Flemming, Flemming & Co.; vice-president, T. B. Wilson, Lampard, Francis & Co.; secretary, F. G. Embury, A. E. Ames & Co.; treasurer, W. D. McAlpine, Brawley, Cathers & Co.; Committee: D. L. Howes, W. C. Harris & Co.; J. C. Mitchell, Dominion Securities Corp.; J. C. Moorhouse, J. R. Meggeson & Co.; D. G. Simpson, Midland Securities Ltd.; A. R. Smith, Bank of Montreal; and ex officio, H. D. Stanley, Royal Securities Corp.; D. L. Mitchell, McLeod, Young, Weir & Co.

The association, founded in 1932, had 168 members at the end of its past year. It co-operates with the Investment Dealers' Association of Canada and the Montreal Bond Traders' Association in deciding on matters affecting trading, deliveries and general business practice.

FIRST in QUALITY . . . LAST WORD in PERFORMANCE!

A. B. DICK mimeograph
Model 450



For Extra Heavy Duty and Fast Overall Operation

The new A. B. Dick mimeograph, Model 450, is indeed the ultimate in quality and duplicating performance. It is designed and styled to meet the needs of users whose requirements call for the speedy production of permanent, clear copies in the thousands.

Model 450 combines all the traditional A. B. Dick features of fine craftsmanship plus the latest improvements in design, style, and operation. Built for continuous production, it accommodates a wide range of paper and card stocks—with flexible, yet positive control of paper, ink and copy during the complete mimeographing cycle . . . and new, high speed mechanism produces up to 180 copies per minute.

See the new Model 450 A. B. Dick mimeograph today. Notice these outstanding features: Exclusive Roto-Grip Feed, Quick-Loading Feed Table, Completely Enclosed Cylinder, 500 Sheet Capacity, 3-Way Copy Control, Universal Stencil Clamp, and Copy Counter with Automatic Feed Shut-off. These and many other new features combine to give you clearer copies—faster, easier and at less cost.

FOR USE WITH ALL MAKES OF SUITABLE STENCIL DUPLICATING PRODUCTS

A. B. DICK mimeograph
THE MIMEOGRAPH COMPANY, LTD., 189 JOHN STREET, TORONTO

The Smooth Dodge Ride
starts with the
Dodge
CHASSIS . . .
a part of
Dodge Dependability

●

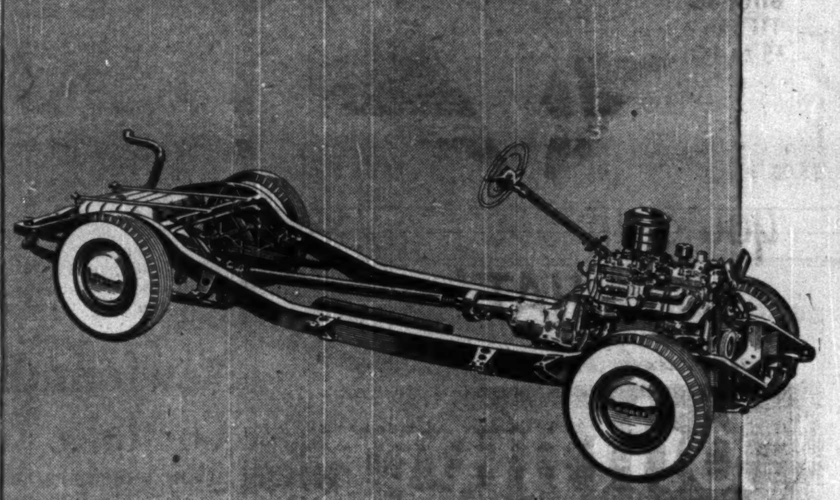
DRIVE A NEW DODGE and one of the first things you'll notice is its riding smoothness. It's something more than the result of luxurious upholstery and "knee-level" seating comfort — it starts with the chassis.

On the right are described some of the outstanding chassis features which cushion road bumps . . . absorb shock and sway . . . eliminate vibration — to help bring you this smooth Dodge ride. In addition, the Dodge chassis has the ruggedness which assures you long, troublefree life — famous as Dodge Dependability.

That's just part of the extra value which makes your Dodge dollar a bigger dollar.

Take a look at what Dodge gives you in beauty, roominess and performance. There's extra head and leg room, front and back . . . flashing performance of the powerful Dodge engine . . . extra smoothness of Fluid Drive on Custom models . . . and many other outstanding comfort, safety and performance features.

Let your Dodge dealer tell you why you'll drive more smoothly with Dodge . . . and how your dollars will go farther.



RUBBER INSULATION is a substantial contributor to the famous Dodge Floating Ride. There are soft, thick rubber cushions at all points of contact between the body and chassis. In addition, rubber limit bumpers on the springs eliminate hard metal-to-metal spring contact even under the most severe road conditions.

SHOCK ABSORBERS of "sea-leg" type are mounted on the rear axle to counteract sidesway. Dodge airplane-type double-action shock absorbers, front and rear, "rub out" road irregularities. Shock absorbers on the new Dodge have been raised 5 inches as added protection against flying stones and dirt.

INDEPENDENT FRONT WHEEL SUSPENSION allows each front wheel literally to "step over" obstructions without transmitting the jar to the body. These independent coil springs are of tough Amola steel.

FRAME CONSTRUCTION is box-type of double-channel, welded steel to give great stability, safety and long life. Front and rear bumpers are attached to the frame, the front bumper having a reinforcement plate for greater strength.

BALANCED WEIGHT DISTRIBUTION is an important factor in the smooth Dodge ride. The Dodge engine is located over the front axle and the rear seat is ahead of the rear wheels. The result is a car which holds the road and handles safely and easily. All passengers are cradled between the front and rear wheels where the ride is smoothest.

CHECK THESE "EXTRA" FEATURES WHICH ARE *STANDARD* EQUIPMENT ON THE NEW DODGE

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What Should Donald Gordon Do with CNR?

The Question: What free advice would you give Donald Gordon for his new CNR job?

Observance of a non-partisan policy and a high regard for public welfare are two points which Donald Gordon should watch when the former Prices Board chairman and present deputy-governor of the Bank of Canada takes over as president of CNR on Jan. 1.

That's the opinion of a number of those answering The Financial Post question this week, most of whom stress their opinion that Mr. Gordon is equal to the task. One of his chief problems, they point out, will be grappling with the CNR's unwieldy financial structure.

G. R. BICKERTON, Research and Publicity Director, the United Farmers of Canada, Saskatoon.

In the belief that Donald Gordon, newly appointed president of Canadian National Railways, will not be influenced by dictates of other railway leaders in Canada, we would administer the affairs of the National Railway in a manner that will not endanger the business and trade economy of the nation with the least possible stress on the profit angle to the companies. Gordon's experience in national affairs during the difficult war years will, we believe, be a great help to him in his new public duty. His past public duty carried out with a high degree of efficiency proves that Gordon requires little advice from any other source.

* * *

JAMES M. COWAN, Editor, The Review, Niagara Falls, Ont.

Donald Gordon will not need a deal of advice if he takes over, as he says with "no commitments, no entanglements and no promises" and with an open mind on all issues. It is unlikely that he would have taken on a task of such magnitude, particularly in view of the likelihood that the Royal Commission on transportation will recommend financial reorganization of the whole system, if he did not hold definite views on how that can be accomplished. If he is able to maintain friendly relations with the public while making great changes, as he did during the war, he will make reorganization a success.

* * *

R. J. DEACHMAN, Writer and speaker on Economic subjects, Ottawa.

Advice to Mr. Gordon in your new task: Consider the fate of the late Mr. Sisyphus. He was condemned to push a stone up a hill and begin again when it rolled down to the bottom. Your task is to lower the cost of moving a ton of freight a mile. If you succeed, railway wage and salary rates will advance. Labor demands for itself the gains which accrue due to technological improvement in the means of production. Economic laws are not mocked. Eventually there may be a depression. It will cost the railway workers hundred of millions of dollars. The free ride comes out of their own pockets.

* * *

J. L. DOUGLAS, Member for Queens, Charlottetown, P.E.I., in House of Commons.

Would advise Donald Gordon to put the same energy and hard work into his new assignment as he did in the days of the war when he was chairman of the Wartime Prices and Trade Board remembering that courtesy and kindness count as much as anything else in the leadership of a great enterprise and remembering that he is the servant of the Canadian people, who, I am sure, wish him the best of luck. This is from an old CNR employee in the "link and pin days" of forty years ago.

* * *

FRANK S. FOLLWELL, Liberal Member of the House of Commons for Hastings South, Belleville, Ont.

The first job for Donald Gordon is to overhaul the financial structure of the CNR by refinancing where possible. He knows how, he is a financial man. Modernize the railway steadily to keep pace with the progress of Canada and other modes of transportation. Build up the morale and pride of the CNR employees. I would recommend that he invite and accept suggestions for better operation at lower cost from all employees from section hands to vice-presidents.

* * *

P. BURKE-GAFFNEY, President, Dominion Council of Professional Engineers, Winnipeg.

Transportation on this continent is a highly competitive business. If the CNR is to conform to the system of free competitive enterprise which is the basis of our economic system, Donald Gordon should insist that his terms of reference include plenary management powers with no more government control than is exercised over his competitors in the interest of Canada as a whole. To compete successfully the CNR needs immediate modernization of plant and equipment, progressive development of new revenue by promoting the development of our northern territories for their mineral resources and tourist possibilities and the maintenance of employee relations which will attract our best workers and free investment capital. I suggest that among the veteran graduates of our engineering schools are to be found young, vigorous Canadians who, under Donald Gordon's demonstrated administrative talents, are capable of establishing the CNR on a self-sustaining basis with such a program.

* * *

C. GILLIS, C.C.F. Member in the House of Commons for Cape Breton South, Glace Bay, N. S.

1. Advise Donald Gordon to take upper berth from Montreal to Sydney to find out first hand condition of the eastern end of CNR. Let him judge road bed delay at the Strait and so on, then let him take action. 2. He should make rounds of railway union locals across country getting the feel of men who keep the CNR in operation. He is now in the field of human rather than financial relations and will have to work with his men. 3. Finally, he should take gloves off and give CPR real competition.

F. H. HALL, Vice-president, International Brotherhood of Railway and Steamship Clerks, Montreal.

Organized labor hopes that Mr. Gordon and the Government will as soon as possible grapple with the basic problem presented by the CNR's fantastic financial structure. The burden imposed by inherited financial obligations impedes progress, militates against the interests of the property and employees generally. It is a constant source of discouragement to able and conscientious officers and personnel. Mr. Gordon should add his voice to those who are pressing for uniform regulations and control of all competitive forms of transport by a central authority.

* * *

EDGAR E. KELLEY, Editor-in-Chief, Chronicle-Herald & Mail-Star, Halifax.

In justification of his government's proposal to provide addition transcontinental railway facilities, Sir Wilfrid Laurier said in the Canadian parliament in 1903: "This new railway will be another link in the chain of union. It will not only open territory hitherto idle and unprofitable; it will not only force Canadian trade into Canadian channels; it will not only promote citizenship between Old Canada and New Canada, but it will secure our commercial independence." Our "free advice" to Donald Gordon as he assumes the presidency of the Canadian National System is to begin his duties with a study of the background of the Canadian railway situation; that he could do no better, in the interests of all Canada, than apply to the whole CNR policy and organization the principles declared by a great Prime Minister nearly half a century ago.

* * *

RODERICK S. KENNEDY, Editor, Family Herald & Weekly Star, Montreal.

First, Donald Gordon should devote his high reputation to convincing the public that railways must be allowed freight and passenger rates which will keep them financially and physically healthy. Recent railway presidents have not had the public ear. Next, he should persuade the public and government to reform the capital structure to make it comparable to that of the CPR and big American railroads, but he should resist pressure for under-capitalization which disguises inefficiencies. Third, he should encourage his staff to modernize rolling-stock tracks, shipping practices and salesmanship so as to compete better with highway transport and always he should remember that he will serve Canada best by making our national railway efficient and prosperous rather than by scratching sectional backs.

* * *

J. G. McCREA, President, Canadian Metal Mining Association.

The difficulties now faced in successful railway administration are well understood; but there is too little appreciation of the basic function which the railways perform in the national economy.

No industry is more directly concerned with, or affected by, sound railway operation and expansion than the mining industry.

About one-third of all freight carried by the railways is made up of mineral products, so that freight costs are an item of prime importance in the economics of mine operation. The metal mines pay something like $30 millions a year on freight and express charges alone, and have been a strong source of support to the railways in good times and bad.

The railways have assisted immeasurably the expansion of the mining industry into the remoter parts of this country, and through their economic development sections have kept abreast of the needs of the industry.

It is to be hoped that these factors will have due consideration as Mr. Gordon develops his plans for the economic operation of the C.N.R.

* * *

B. EARLE MACDONALD, Mayor, Charlottetown, P.E.I.

My advice to Mr. Gordon as a Maritime mayor, is to so manage the transportation system given into his charge, that there will be no discrimination in its rate structure as between province and province; that the Maritimes and western provinces may, so far as rates can help, be placed on an equal competitive basis with the provinces of central Canada.

* * *

J. E. MATTHEWS, Liberal Member of the House of Commons for Brandon, Man.

My advice is very general and yet very definite, namely that the new president, regardless of pressure groups from any source, administer the affairs of the Canadian National Railway along lines that he believes fair and right and in the best interest of the country as a whole. Furthermore, that to the greatest extent practicable he takes the public, the shareholders, into his confidence.

* * *

E. A. McCUSKER, Liberal Member of the House of Commons for Regina, Sask.

It would be presumptuous of me to offer any advice on railway operations to one of Donald Gordon's outstanding executive ability. I would respectfully suggest this, that he have a study made of Hudson Bay route and Port Churchill with view to ascertaining: (a) would use of an ice-breaker in the Churchill River enable ships to use the port for longer period each year? (b) If use of port could not be developed both for exports and imports? (c) If more equitable insurance rates could not be obtained for ships using port.

* * *

W. ROSS THATCHER, C.C.F. Member of the House of Commons for Moose Jaw.

It seems to me that Mr. Gordon can render the nation invaluable service if he will rid the CNR of its hopeless and unfair capital debt structure. The Canadian National system was organized following the first world war by the amalgamation of a number of bankrupt private companies. Instead of adequately reducing the capital structure of the lines with a resulting loss to investors, the government assumed all obligations. The extent of CNR overcapitalization can be realized when one remembers that the total losses of the bankrupt private lines amounted to $220,000,000 in the 5 years before the CNR was joined. Today debt charges are such that deficits are inevitable. This capable executive should ask the government to bring remedial legislation before parliament immediately.

Pipeline Jobs For 1,200 Soon As Prairie Project Begins

From Our Own Correspondent

EDMONTON — Construction work on the $90 millions Interprovincial Company project to pipe oil from Edmonton to Superior, Wis., has begun, Loren F. Kahle, recently-appointed vice-president and director of the company, has announced here. Initial work is at the Edmonton terminal and the Ermine, Sask., pump station.

At Edmonton, the road has been completed to the pumping station site, a mile east of the Imperial Oil refinery, and bulldozers are at work on grading for the huge tanks and on firewalls. Doncaster Construction Co., of Edmonton, is doing the work.

Engines for the pumping stations have been ordered from Railway and Power Engineering Co., Toronto.

Kahle said that in Alberta about 41 per cent of the necessary farm land has been arranged for the right-of-way. Options have been obtained on this land and on about 15 per cent of the land needed in Saskatchewan.

Laying of the line will begin next May and will be completed to Superior by October, if no serious holdup occurs, Kahle said. About 1,200 will be employed on actual construction and laying work.

Largest section of the line will be between Edmonton and Regina, where 20-inch pipe is to be used. For the 340 miles between Regina and Gretna, Man., 16-inch pipe will be laid. The last 360-mile leg from Gretna to Superior will take 18-inch pipe.

Kahle said the 16-inch pipe has been ordered from the Canadian firm of Page-Hersey Co., but that the 20-inch and 18-inch pipe will be bought from United States firms. The U. S. steel strike has caused "some concern" but he hoped it would not delay the project.

An office staff of about 70 will be at the Edmonton headquarters until construction is complete. Then an operating and maintenance crew of about 20 will staff the pumping station.

SULLIVAN CONSOLIDATED MINES reports bullion output for the third quarter of 1949 of $434,249 compared with $299,619for the corresponding period of last year, an increase of $143,600. Tonnage milled was 47,672 tons against 36,810 in the same period last year. Figures do not include cost-aid receivable under the Emergency Gold Mining Assistance Act.

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STARCOURT OLD MINES has its diamond drilling program well under way on its property adjoining East Sullivan in the Bourlamaque area. The company hopes that copper mineralization may be picked up on the eastern side of the Bourlamaque batholith on the opposite side from which East Sullivan has its ore bodies. After an initial drill hole had trouble with boulders, drill was moved 50 ft. to the south and no difficulty was encountered in getting into bed rock. It was intended to continue the first hole to several hundred feet in depth to explore an anomaly indicated by an electrical resistivity survey. The largest of the indicated anomalies is being drilled first.

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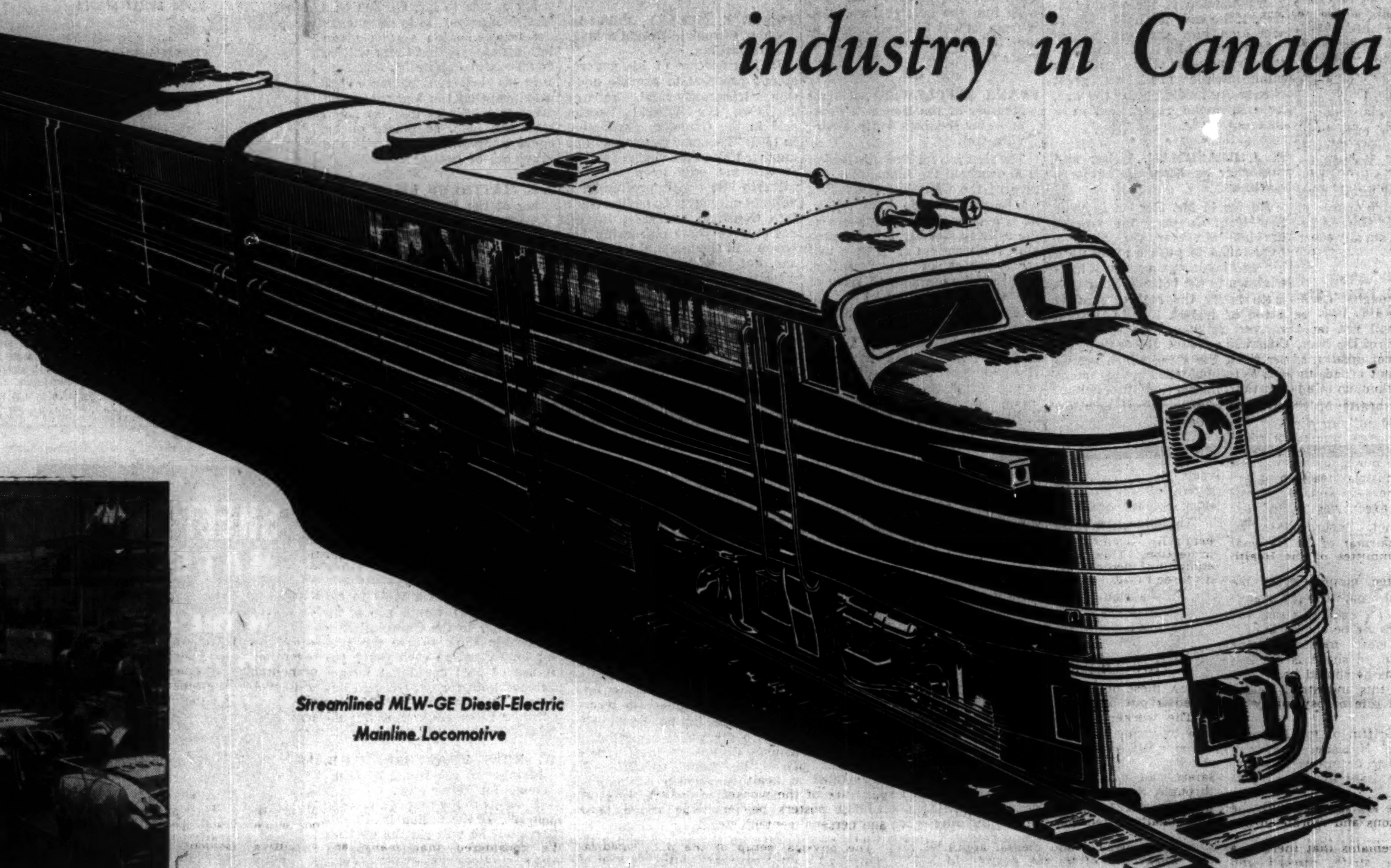
Progress Report on the

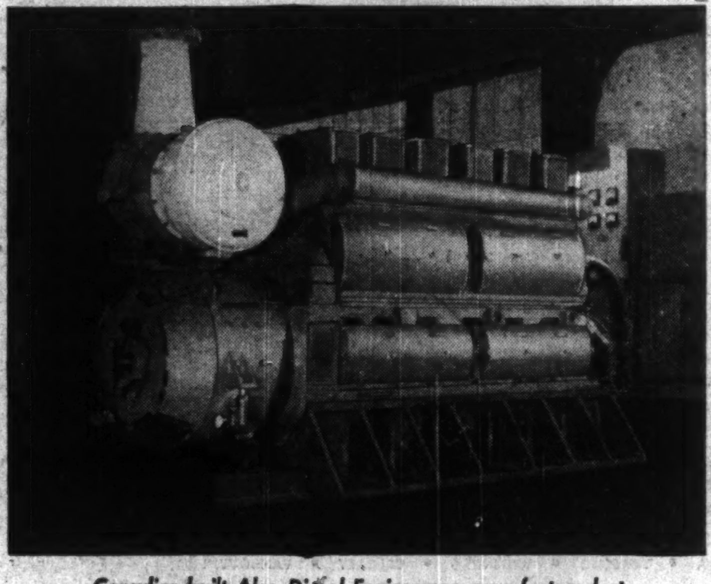
DIESEL-ELECTRIC LOCOMOTIVE

industry in Canada



Streamlined MLW-GE Diesel-Electric Mainline Locomotive

Building electrical components for Diesel-Electric Locomotives at Peterborough Works, Canadian General Electric Co. Ltd., Canada's largest electrical workshop



Canadian-built Alco Diesel Engines are manufactured at Dominion Engineering Works' Lachine, Que. Plant

Since May, 1948, Diesel-Electric Locomotives have been coming off the production line at Montreal Locomotive Works Plant in Montreal

For the past 18 months Diesel-Electric Locomotives have been built in Canada to meet requirements of Canadian Railways

Since the first standardized, Canadian-built diesel-electric locomotive came off the production line in May, 1948, scores of others have been placed in service throughout Canada.

They are the product of three important Canadian firms, each the largest in its respective field, who combined their resources to answer all requirements of the Canadian railways for Canadian-made diesel-electric locomotives. These three Canadian firms are Montreal Locomotive Works, Limited, the leading locomotive builder in Canada; Canadian General Electric Company Limited, Canada's largest producer of electrical equipment; and Dominion Engineering Works, Limited, Canada's leading diesel engine builder.

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Canadian Workers already employed in 4 communities

This industry is providing steady employment to thousands of Canadian workers, not only those directly employed, but to many others who work for Canadian suppliers.

This progress report is presented so that you may know what has been accomplished in Canada in this young and vigorous industry which can mean so much to this country.

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Industry's $600-Million-a-Year Bill for Sickness

Every Day One In 25 Of Us Falls Ill; What's Being Done In Your Business To Cut Down on This Economic Waste?

By CYRIL BASSETT

You wouldn't dream of investing in a machine for your business whose performance and endurance was unknown — nor in operating it without regular and expert inspection and servicing, would you?

Well, what about the human machine, in your office, store or plant?

There are in Canada today over 4,000 physicians—or roughly one in three of all physicians—actively interested in, or engaged in one way or another in industrial medicine—or in the inspection and servicing of the human machine in commercial and industrial organizations. Is one on your payroll or on call for your workers?

Likewise we have in Canada over 1,000 industrial nurses. Do you employ one of them?

No? Then, likely it's worth while giving the matter serious thought. Lack of an industrial health program may be striking right at your profits. For, at the "very conservative estimate" of Dr. K. C. Charron, Chief of the Industrial Health Division of the Federal Department of Health and Welfare, the economic loss to Canadian industry caused by ill-health of the worker runs at well over $600 millions a year. And on any day, it's estimated, one in 25 of us falls sick; the human machine breaks down.

For the moment, so much for the worker. If you do have an industrial health program for your business, where do you, Mr. President and the other executives fit in? Or don't you? Likely, not. According to Dr. F. D. Cruickshank, chairman of the National Industrial Health Committee of the Health League of Canada:

"The most neglected employees in industry from a health maintenance standpoint are executives . . . the fact is that the modern executive is dying before he should, usually when he's most needed by the community and nation, in short, is not living as healthy a life as he should be."

And to round off this industrial health quiz: what about the role of psychiatry in industry?

Says Dr. John E. Griffin of the National Committee for Mental Hygiene who's one of the few psychiatrists definitely attached to industry (he's consultant to Moore Corp. Ltd., Toronto):

"Whether or not we are satisfied with the state of human relations and morale in our own units, the fact remains that there is a high potentiality for strife, discord and anxiety throughout industry in general. A bitter strike or even a slowdown has the same emotional background as does war. It behooves us in industry to do everything we can to promote the health, personality and maturity of our workers and of ourselves."

And surveys in Britain and U. S. indicate that one quarter to one third of the illness resulting in lost time in industry is caused by psychoneurotic illness.

Efficiency, Production Increased

The development of industrial medicine and the growing recognition by management of its importance as a factor in maintaining production, increasing efficiency and in fostering good industrial relations is one of the most significant trends in Canada's postwar industrial development. Increasingly, health maintenance is being regarded as a legitimate operating expense in industry on a par with equipment maintenance expense.

And we've come a long way in this direction since the days when, with the introduction of workmen's compensation laws, the only medical service offered by industry generally consisted of a first-aid box and a physician's phone number on the wall.

But in the view of medical men most closely identified with industrial medicine we've still quite a piece to go before workers in all industries in Canada are covered by what they would regard as adequate in-plant medical services. Here's the present picture:

Roughly one-third of industrial workers in Canada are in plants employing 100 people or less—and very few of these plants have medical services.

Another one-third are in plants employing 500 or less; some of these have an adequate medical care program.

The final one-third, employed by corporations with 500 and more workers, are nearly all fully covered.

So much for this broad picture of where the investment in industrial medicine in Canada is most likely to be found.

How Does Investment Pay Off?

How can a program of industrial medicine pay off? What does management get out of its investment in servicing facilities for the human machine?

For the answers we must turn largely to the American scene, for little attempt seems to have been made to document experiences in Canada.

Here's what the National Association of Manufacturers found in a survey recently, to which 1,625 American manufacturers replied:

Only five failed to go on record with the statement that their health programs were a paying proposition.

Of the other 1,620:

—92% reported that their health programs had reduced occupational diseases; for 172 companies this reduction averaged 62.2%;

—93% of more than 1,000 replies reported that compensation insurance premiums had been reduced; for 450 companies the average reduction was 28.8%.

—Accident frequency was found to have been reduced by an average of 44.9%;

—Absenteeism was cut 29.7%;

—Labor turnover cut by 27.3%.

On a purely dollars-and-cents basis, it's estimated that by these yardsticks, a company employing 500 workers could show a return of $30,510 a year through the operation of a medical department.

Similarly, the U. S. Public Health Service has estimated that the investment in a health program of $8 per man per year should yield a company $12—or a return of 150%.

Some fragments from the Canadian scene can be noted:

—A large chemical company estimates it saves over $4 for every dollar spent on its industrial health program;

—A steel company reports lost time due to sickness at less than four days per worker per year as compared to the national average of nine days per worker per year.

—A large printing company found sickness absenteeism cut by 50% after medical services were instituted. Line this up with the fact that each hour of idleness on the company's presses due to a pressman's sickness was costing $100 and it will readily be seen why this company is keen on medical services.

And that's about as far as we can go on the evaluation picture in any sort of specific terms.

What should the industrial health program aim at? How is an in-plant service operated?

Toronto's Dr. Cruickshank, who besides being chairman of the Health League's National Industrial Health Committee, directs health conservation programs for a group of Toronto and nearby Weston industries puts the answer this way:

"The objective of industrial medicine is primarily: accident prevention and health protection. This will be accomplished by equipping medical centres in the plant to do three things:

"1. Maintain and improve, if possible, the worker's health.

"2. Ensure the worker's safety.

"3. Improve the worker's environment."

How Objectives Are Met

How these objectives can best be accomplished is put by Dr. Cruickshank this way:

"The worker's health can be maintained only by hiring healthy workers which makes pre-employment examination and periodic checkups imperative. Similarly the worker's safety can be ensured by making certain through the pre-employment examination that the worker is physically, mentally and emotionally fitted for the job in question.

"Proper physical and mental appraisal of the worker is often the answer to your accident problems rather than more safety devices.

"What can we do to maintain the worker in good health? First and foremost is the best of first-aid service for, if we are to cut accident costs still further, we must remember that what is minor today may be a major disability tomorrow.

"The consulting service is another way of maintaining the worker's health. In my industries we allow the worker to see the doctor as often as he wishes to talk over his physical and mental problems. By early examination we are often able to check serious disease in its incipiency by direct advice or treatment and referral to his own doctor and hospital.

"We like to treat all illness or accidents arising within the plant as we feel we are more able to handle these than a doctor outside the plant. All other continuing illness is referred to the family doctor."

Regular checkups, facilities for treatment—these are two of the essentials in the industrial medical program.

The plant medical service's part in improving the worker's environment in terms of hygiene calls for an intimate knowledge by doctor and/or nurse of all work processes and hazards, careful watch on cafeteria and washrooms to see that these are maintained in healthful condition, constant exposure of the worker to health education through posters, pay envelope inserts, talks and personal contact, etc.

The physical setup of the plant medical centre will obviously vary with the size of the establishment, working conditions, etc., as also will cost of operation.

It may be a small setup with nurse and part-time physician; it may employ full-time doctors and nurses; may cost anywhere between $1 and $25 per employee.

At one end of the scale in Canada you will find the 500-employee factory with a part-time physician and a full-time nurse. At the other end you will find the 26,000-employee Bell Telephone Co. with three full-time physicians, 10 part-time doctors and 23 nurses, or firms like Canadian Industries Ltd. with a central medical service at Montreal head office employing one full-time medical director and two part-time doctors; with part-time physicians at each of the company's plants and full-time nurses at all plants and head office.

But whatever the size of the setup, all have the basic objective in view: prevention of illness; elimination of environmental hazards to health; raising the general level of health to the benefit of production.

In short, keeping the human machine at top efficiency.

What About the Executive?

This having been accomplished for the worker, let's now take a look at the executive. And here's a sorry tale of health neglect. And an amazing one, too, when it's considered that many an executive who's studied the health problem among his workers and supervised the actual setting up of health centres in his plants is himself the least heedful of health education, is frequently found to be the least healthy of all in the shop.

Incredible? Consider this:

Of 500 executives (average age, 41.4 years) examined by the Life Extension Examiners of New York, 62%, it's reported by the National Industrial Conference Board Inc., were found to have conditions requiring a doctor's attention; all had some minor disease.

And in nearly every examination of executives the most prevalent unhealthy condition found has been: obesity.

Next to that are heart ailments of various kinds, abnormal blood pressure, hypertension, many forms of illness of pyschoneurotic origin, and ulcers galore.

Industrial health experts are convinced that much of this can be met by the very programs executives themselves lay down for their workers, if only they'd include themselves in on the program.

Henry Ford was the first industrialist to recognize just how much his investment in high-priced executive help was being impaired by the almost-universal disdain executives had toward their health.

He found out that the high incidence of crack-ups in this group was as costly to the company as to the employee's family. As a result he ordered for the management group the most thorough examination medical science could offer.

Chrysler and General Motors followed suit. But so far there is little evidence that the practice is yet widespread in industry.

Comments Dr. Cruickshank:

"What a tragedy this is for the individual, his family and the company. If medical services are good for the worker they must be all the more important for the executive. In Sweden they estimated after careful study that the company's investment in a skilled worker is $5,000. No doubt this figure could be similarly applied here and from this basis we should be safe in saying that any Canadian company's investment in the President, General Manager or Chief Engineer would be many times that amount."

What can the executive do about this personal state of affairs? Largely, say the medical men, it's up to him since the basic cause of most ill-health among executives is lack of a balanced way of living. The average executive is too prone to live on the job, worries too much and while it is admittedly all but impossible to get him to stop worrying it should be possible for him to so arrange his living that he worries constructively. And this calls for an adequate program of physical and mental health.

The Role of Psychiatry

Which brings us to the role of psychiatry in industry.

Says Dr. Griffin: "There's fast growing up a distinct personality type among executives. They live tense lives not entirely because of job pressures but because of the conflict within themselves between the demands of modern business and some of the tenets of good living."

This, Dr. Griffin emphasizes, is largely a result of the fact that advances in the social and human sciences have tended to lag behind phenomenally rapid scientific progress and technical advances which, in the past 100 years, have been implemented so quickly in the industrial field.

From this basis Dr. Griffin sees several important roles for psychiatry in industry. They've been applied to some extent in U. S. (E. I. du Pont, Eastman Kodak, American Cyanamid are examples) but the field has been hardly touched in Canada.

They boil down to using the psychiatrist to help:

1. Clear up misunderstanding and iron out emotional conflict between management and workers in both directions;

2. Go after the emotional upset in the individual that may spread into an epidemic of emotional upset throughout the plant;

3. Employ every possible means to improve and maintain the mental health of all employed in the industry.

Modern industrial methods, says Dr. Griffin, combined with the teaching we are giving to our young people today to work toward an independent type of security, is "creating a frustrating, dissatisfied and even dangerously unstable group of workers."

Digging into his own experiences over the last four years as a consultant to industry and comparing it with that of other researchers, Dr. Griffin comes up with these conclusions:

"The basis of many of the symptoms of patients who consult the doctor in this so-called machine age is often chronic anxiety and tension. Examination of the physical conditions and the emotional atmosphere under which these people work have disclosed with monotonous regularity the following conditions:

"1. High-speed, monotonous work.

"2. Work calling for the prolonged use of only part of the total skill, energy and interest of the worker.

"3. Work in which the total job is fragmented in such a way that the meaning and purpose is lost.

"4. Work in situations where the internal organization is chaotic and unclear and where there is a feeling of inadequate personal support for the worker on the part of management."

What does Dr. Griffin offer as an antidote to these conditions?

He stresses the basic need for a psychological understanding by management: the willingness to appreciate that the individual employee is subject to the same human drives, needs and feelings as top management; the willingness to look at industrial problems from the employee's viewpoint and to understand them in that frame of reference; understanding of the relationship of the employee and the various social groups in which he works and lives.

He adds that management must have imagination as well as understanding, must visualize the factory as a social institution in which the worker is a citizen.

And he believes that management is presently moving into the phase of development—"a phase which, unlike human gadgeteering (i.e. placement tests, etc.) and paternalistic goodwill, costs nothing and is the key to successful human relations in industry and the principal highway to top production."

What Brings 600,000 Rushing to Call of the Wild?

Here's the Story Behind the $35-Millions-A-Year Business That is Hunting in Canada

By WALLACE GILLESPIE

It's meat at $5 to $15 a pound, with more than 600,000 customers banging at the "counter." But not at the nearest delicatessen counter.

These enthusiastic customers must forsake convenient stores, steam-heating, and other necessities "we can't do without."

Their shopping ritual begins with the paying of hunting fees to Canada's provincial governments totaling $1.8 millions. Next they put on or carry special equipment, for which it would be easy to spend $1,000. They set off by auto, rail, and even airplane.

At a distant spot, they rise at dawn . . . to spend hours in marshes waiting for the chance to pour buckshot into the grey morning sky . . . or to trek through the season's first snowfall with the last autumn leaves swirling down through the nippy air.

What savors this meat that men go so far and spend so much for it?

Some say it's an urging left over from the days when we hunted to eat, something the industrial city hasn't yet got out of us. Or maybe it's plain ordinary relaxation away from the snarl of traffic and the efficiency of elevators. Perhaps a sense of comradeship with "the gang."

Whatever it is, it motivates everything from Rocky Mountain safaris after the agile goat to chasing hares over farmers' pasture . . . from the celebrity's costly grizzly hunt to the more modest week-end pheasant shoot.

Though there's a poverty of statistics on the subject, the activity it engenders means a $25- to $35-millions-a-year industry for Canada. But these figures should be handled cautiously. They represent nothing more than a projection (prorated on the basis of permits issued) of estimates ventured by two provinces on the "value" of hunting within their borders.

The Job Hunting Does Here

As an industry, hunting does an important job for Canada.

It circulates money in areas which otherwise would permit only a marginal existence for a handful of inhabitants. By pinpointing a fair-sized population across the "open" areas of our map (Northern Ontario, for instance, has 1,100 tourist outfitters of all kinds) hunting helps bring into economic use assets which might otherwise be in continual fallow.

Clothing and equipping the hunter accounts for a sizeable, though undisclosed, portion of the $6.7 millions output of Canada's 56 sporting goods manufacturers. This doesn't include most of our shotguns and sporting rifles, importations of which (mostly from U. S.) amounted to $2.2 millions in 1947—a figure which also includes imported cartridges and some revolvers. Only two Canadian firms—one at Cobourg, Ont., and the other at Long Branch, Ont.—are engaged in gun manufacture.

Tourist-wise, the hunter is known as a free-spending visitor. If he goes to an outfitting camp in the central provinces, he'll spend $150 to $175 a week anyway, possibly more, and almost every time a confirmed hunter goes on a trip he adds something to his "capital account" in equipment. If he's pushing through rugged B. C. terrain after "the big stuff," expenses of $100 a day don't raise an eyebrow.

Transportation systems think the hunter sufficiently important that railways make special stops at key points along the right-of-way during the hunting season. Provincial governments derive revenue from him, even though their schedules of license fees (highest for moose, low for bear, wolves, etc.) are worked out with an eye to game management, rather than money-making.

The Conservation Angle

Sizing up the hunter's economic "value" to Canada needn't, by itself, disturb the ardent conservationist. Game management officials say there's a natural "crop" of game which may be taken off through hunting pressure. The size of this crop will vary according to a number of factors, such as availability of feed, presence of other animal predators, forest fires, disease, etc. The conservation problem becomes one of relating the hunting pressure to the size of the crop in a given area.

This isn't always easy. It comes as a surprise, for example, to learn that there are difficult-of-access parts of Canada where the "take" of deer could be doubled without depletion, since winter starvation is already a factor in those areas.

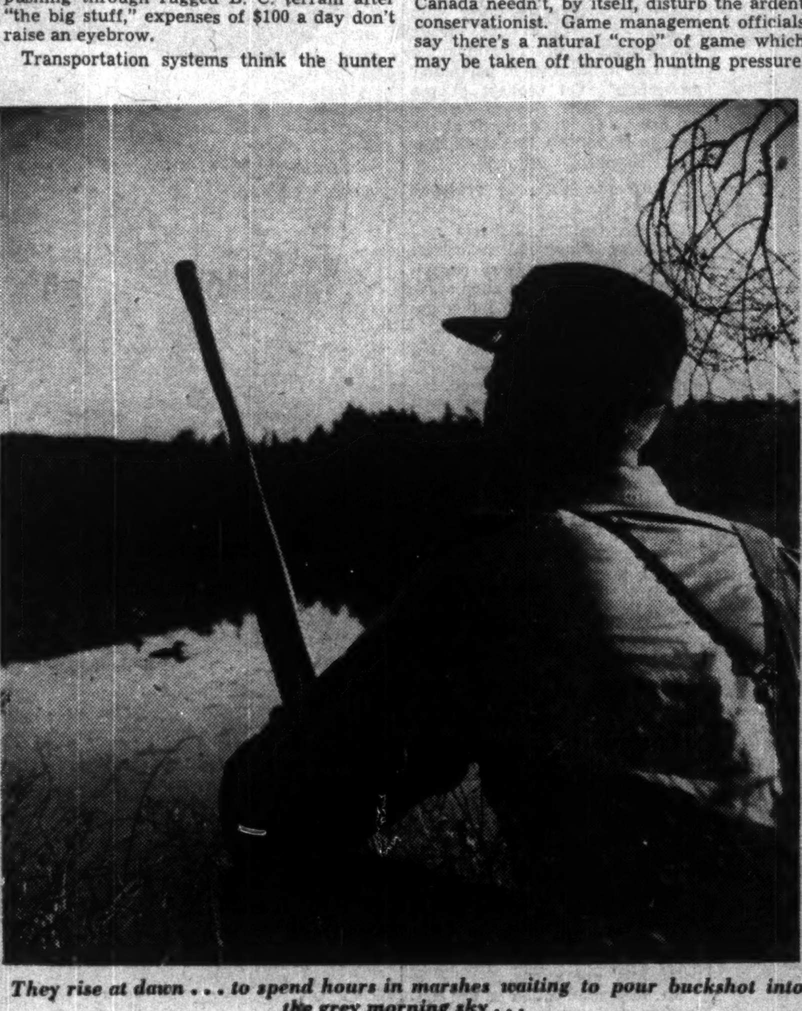
But it remains true that some of the more readily-accessible areas are in danger of being burned out by rifle fire.

It's also true that the deer is a more attractive target for the sportsman than the deer's natural predators which may be left untouched to multiply. Certain other species, such the lordly moose which was for long our No. 1 Big Game attraction, are giving the game people some concern.

Nevertheless, except in certain localities, hunting pressure in the forest is not as serious a threat to conservation as is fishing pressure in our lakes and streams.

For one thing—though there is an overlapping between the fisherman and the hunter in the upper-middle economic levels—fishing draws on a wider market.

There are many fishermen who don't hunt, but a large number of hunters—possibly a majority—are to be found with a fly rod in their hands during the summer month when the choice game is out of season.



They rise at dawn . . . to spend hours in marshes waiting to pour buckshot into the grey morning sky . . .

All-round Sportsman

One man who bulks large in the hunting "market" is the all-round sportsman who will pursue his outdoor interests right around the calendar.

You may find him out on a predator hunt (lynx, bear, or fox, etc.) or fishing through the lake ice while he's waiting for seasons to open.

He likes to get started on trout or bass fishing in June because the water's colder and the fish are in better condition. This also applies in September . . . and then he's cleaning up his guns in preparation for duck-shooting which begins in certain northern regions as early as mid-September. You'll find him in the woods until after the snow flies.

Does this mean he's a game hog? Not necessarily. Game management officials say they have less trouble with him than with the occasional hunter. He understands nature better. He has to, if he's going to hunt skilfully. Often he belongs to some sort of regional association of outdoorsmen.

What sort of chap is he? Generally an urban dweller, particularly if he's an Ameri-

(Continued on page 20)

The 10 Commandments Of Hunting Safety

A hunter mistook his friend's white jacket for a deer's tail; a duck-hunter laid a loaded shot-gun in his boat and was wounded when it slipped from the seat; a man, working over a defective gun, killed his wife as she sat in the same room . . . the stories are endless and needless.

To make hunting the healthful sport it should be, Manitoba's Minister of Mines and Resources, J. S. McDiarmid, reiterates these "Ten Commandments of Safety":

1. Treat every gun with the respect due a loaded gun.

2. Carry only empty guns, taken down or with the action open, into your automobile, camp or home.

3. Always be sure that the barrel and action are clear of obstructions.

4. Always carry your gun so that you can control the direction of the muzzle, even if you stumble.

5. Be sure of your target before you pull the trigger.

6. Never point a gun at anything you do not want to shoot.

7. Never leave your gun unattended unless you unload it first.

8. Never climb a tree or a fence with a loaded gun.

9. Never shoot at a flat, hard surface or the surface of water.

10. Do not mix gunpowder and alcohol.

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Provinces Pool Ideas for Trade Push

'Mutual Aid' for Industrial Growth New Body's Aim

What are provincial governments doing to expand trade and industry? How do they propose to develop channels of information and research, organize co-operation with federal agencies and private groups? The Financial Post here presents a special report on a major subject.

By CLIVE CHATTOE

"The Continuing Conference of Provincial Government Trade & Industrial Development Agencies of Canada."

That's the new organization rough-shaped at the first national get-together of working chiefs of provincial and Dominion government bureaus promoting trade and industry (The Financial Post, Sept. 24).

It's headed by Alberta's John Oberholtzer, 35, Deputy Minister of Industries & Labor. Vice-chairman is New Brunswick's W. A. Moore, Deputy Minister of Industry & Reconstruction. A. V. Crate is secretary-treasurer. Mr. Crate and the Conference's mailing office are at 145 Yonge St., Toronto, headquarters of the Ontario Planning & Development Dept's Trade & Industry branch.

Three-way Co-ordination

According to a statement by Chairman Oberholtzer right after the three-day organization meeting near Lindsay, Ont.—which was attended not only by provincial officials but also by representatives of Ottawa's Trade & Commerce Dept., the Canadian Bankers' Association, the Industrial Development Bank and the railways — the new Conference will launch a three-phase program to "co-ordinate" industry and trade promotion across Canada.

It will seek to "synchronize" provincial government promotion policy and methods (a) among provinces, (b) with those of the Dept. of Trade & Commerce at Ottawa and through trade commissioners abroad, and (c) with similar efforts at the municipal level.

"As a simple example of the expected new pattern of co-operation," Mr. Oberholtzer said, "the Dept. of Trade & Commerce from here on will work through our provincial organizations in promoting the Canadian International Trade Fair."

Discussed at the Lindsay meeting also was a prospect that the new body might become an important channel of interprovincial communication on industrial defense preparedness.

Here's a Financial Post digest of the first informal talks looking toward broad co-operation between jurisdictions in getting and building new trade and industry.

Will provincial governments offer direct financial aid to industry?

Most are.

Not so Ontario, or British Columbia, or Manitoba, all three of them "have" provinces among the industrial "have nots."

Quebec is a "have" province. Yet it's putting out money in some cases to help industry get established.

The New Brunswick Government "under certain circumstances will consider" providing finance. Under Nova Scotia's Industrial Assistance Advisory Act, loans can be made directly to industry. In Saskatchewan, an industrial development fund is appropriated annually and loans to industry are made from it on a guarantee basis. Alberta has legislation to provide operating loans to industry.

Can provincial government trade and industry development agencies help industrial defense preparedness?

"Yes," says the Industrial Defense Board's Harry Carmichael, according to F. J. ("Pat") Lyle, director of Ontario Planning & Development's Trade & Industry branch. Mr. Lyle reports receipt of assurance from Mr. Carmichael that provincial trade and industry offices will be asked to serve as required.

So the Conference named Rex Grose of Manitoba, New Brunswick's W. A. Moore and Mr. Lyle a committee to develop provincial government interest in industrial defense. It authorized this committee to start by studying purchases by the Canadian Commercial Corp., and other agencies, of defense goods in Canada.

How can statistics be improved?

Statistics provided by the Dominion Bureau of Statistics at Ottawa "are in many cases not sufficiently current for trade and industry promotion use, and don't lend themselves to a sufficient breakdown," according to Ontario Provincial Statistician H. J. Chater.

The conference decided to ask Dominion Statistician Marshall to support the idea of a national conference on statistics, looking toward revisions in style, coverage and timing. It undertook to help organize such a conference.

Where do the banks fit in?

All banks are intimately and directly interested in Canada's industrial development and also act for companies in representations to the Foreign Exchange Control Board, Douglas Sapte reminded the conference. As assistant superintendent of the Bank of Commerce's industrial development dept., Mr. Sapte sat as observing representative of the chartered banks of Canada.

The banks, Mr. Sapte pointed out, co-operate with provincial trade and industrial organizations throughout the Dominion. He said their normal function is to provide working capital, not fixed capital, which latter is the function of the Industrial Development Bank.

J. C. Ingram, Ont. Supt., Industrial Development Bank, an observer, said IDB was established to fill a credit gap in the Dominion's industrial financial structure. Provincial representatives suggested that the Bank "doesn't serve a fully useful purpose; appears to ignore many small investments."

Manitoba's Rex Grose asked that IDB's industrial reports be made available to the provincial organizations. In reply Mr. Ingram said the Bank operates under a strict oath of secrecy and can't in all cases make such reports available.

New Brunswick's W. A. Moore suggested IDB lend money in development of industries associated with basic resources but Mr. Ingram's answer was that the Bank's charter doesn't permit.

Saskatchewan's D. H. F. Black raised the question, and Mr. Ingram replied, that IDB "will consider" co-operating with the Canadian chartered banks or the provincial governments in financing industry. In such cases, he said, there might be a sharing of the liability, and the IDB "is certainly willing to consider" such cases.

What about the Trade Fair?

R. H. Dayton, Administrator, Canadian International Trade Fair, asked the provincial organizations for more help in Trade Fair promotion. The Fair, as operated through the Dept. of Trade & Commerce, in future will fully utilize whatever help is offered by provincial trade and industrial organizations "to direct their interests in particular provinces." On request of the conference, Mr. Dayton offered the provinces "desk space" at the Fair in Toronto's Canadian National Exhibition grounds.

Where are gaps in research aid?

Quebec, Ontario, Alberta and B.C. offer provincial industrial research services it was reported in a resolution that such service is an essential of industrial expansion.

Alberta's W. H. Thomson said his province operates a provincial research council but, as well, relies on outside organizations such as the National Research Council.

B.C.'s R. S. O'Meara said British Columbia operates a successful research council to explore local and regional requirements, and with a substantial budget.

Quebec's Louis Coderre said his province operates a research council and uses the facilities of the universities "and skilled personnel throughout the province."

Ontario's F. J. Lyle briefly described the Dept. of Industrial Research Services operated by his department in conjunction with the Ontario Research Foundation. He said these research facilities are a new venture "already successful and saving many manufacturers thousands of dollars a year in helping develop small industries."

Role of the railways.

CPR's Frank Collins (industrial manager, dept. of industrial development), and CNR's S. J. Raymond (industrial and joint facilities commissioner), briefly described the scope of their departments' operations.

Mr. Raymond called on the conference for greater co-operation between the railways and provincial organizations in the location of new plants. He said each railway has accumulated much information on the facilities of municipalities and the availability of plants and sites. He suggested that the provincial organizations take a new, sharp look at Canada's imports with a view to having more goods produced here and to alleviating shortage of U. S. dollars.

What Ottawa is doing.

G. D. Mallory—he heads Trade & Commerce Dept's industrial development division at Ottawa—told the conference how his official group functions.

His division, Mr. Mallory said, finds industrial development prospects abroad, whether for the building of new branch plants or for manufacturing agreements with existing Canadian plants. It supports development of established Canadian industries bringing together management personnel here and abroad for new deals to make or market British, American and other outside products.

Mallory referred to this first Lindsay conference as "a reminder that Ottawa may well take greater advantage of the facilities of provincial trade and industry promotion organizations."

Discussing the 1942 Canadian loan to Britain, and its use in financing new industry, Mr. Mallory said: "British firms will continue to come to Canada regardless of devaluation." He suggested that every province should encourage export from Canada by new branch plants.

Thirty-five "highly skilled" technicians from Europe are now in Canada, according to B. R. Hayden, assistant director of DTC's industrial development division. He didn't say how many of the 35 are German but it's widely assumed at least half of the "imports" are of that origin.

What Ottawa May Do.

"It would be useful if the provinces would enlarge the provision to Ottawa of (a) records of vacant buildings suited to industrial use, and (b) names of companies interested in manufacturing contracts," Mr. Mallory and Mr. Hayden both said.

R. S. O'Meara, British Columbia, asked that Ottawa's trade commissioners abroad report to provincial organizations the

(Continued on page 19)

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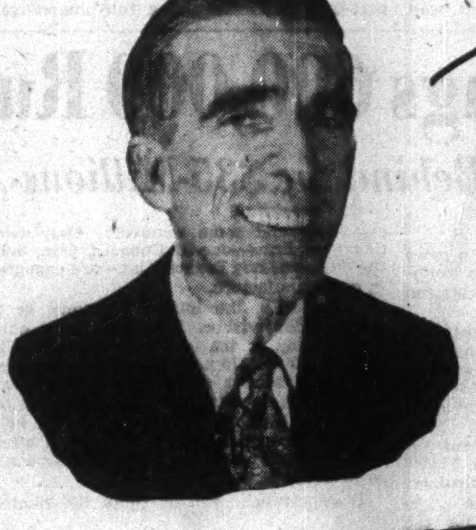

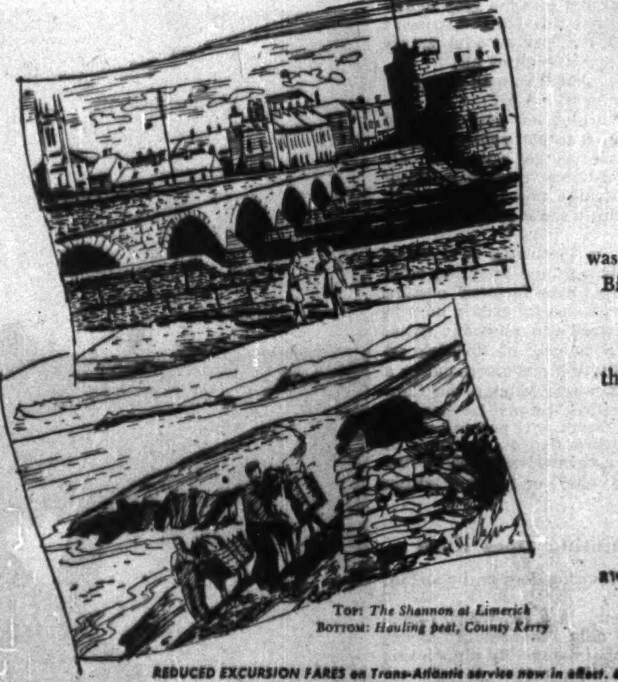

Top: The Shannon at Limerick
Bottom: Hauling peat, County Kerry

"NORTH STAR" SKYLINER

Bill Casey, a Montreal businessman, had long treasured memories of his native Ireland . . . of the kinfolk he had left behind . . . of the glens and fields and landmarks of his youth. But Ireland was so far away . . . or was it? Not when a man flies, as Bill did. It was just a matter of hours to Shannon and the scenes of his childhood.

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Biggest Canadian-Built Tanker For Oil Service

Construction soon of the largest oil tanker ever built in a Canadian shipyard is a part of the program for bringing western crude oil to Eastern Canadian markets, John R. White, vice-president of Imperial Oil told an Ottawa audience recently.

The tanker will be 620 ft. in length, with a speed of 13 knots and a carrying capacity of 115,000 barrels. During the course of a navigation season, a ship of this class would move more than five million barrels of oil from the projected pipe line terminal at Superior, Wis., on Lake Superior to the refinery at Sarnia, Mr. White said. Here is a digest of his address:

By JOHN R. WHITE

The difference between the route decided upon (via U. S.) and an all-Canadian route would probably mean something up to 10c a barrel to the Alberta producer. While 10c a barrel may not seem a very large sum, it must be remembered that 10c might shorten the reach of the Alberta producer by several hundred miles, and so reduce his potential market by an amount that we cannot even estimate.

What is there that cannot be done with 50 billion tons of coal, a billion or so barrels of oil, three trillion cubic feet of natural gas and a quarter of a billion dollars worth of farm produce every year? Add in the salt beds that underlie most of Saskatchewan through Alberta to Athabaska. Include the 15,000 square miles of tar sands, the 150,000 square miles of timber and 108,000 horsepower in Alberta's waterfalls alone.

With basic resources of this sort, it is hardly necessary to count the rarer materials, such as the potash, bromine and iodine that have been indicated in some of the oil seeker's drill holes. Unnecessary, because what few materials Alberta lacks can be brought in from outside, for example, from the metal mines that surround her on all sides.

Opens Big Plastic Field

Visible in the west are the materials for every type of plastic, for virtually all the major industrial chemicals and electro-chemical products. There is here the material for rayon, for nylon, synthetic rubber, phenolic and cellulose plastics, carborundum, graphite, cyanamide, acetylene and its host of relatives, and many others. And it follows that if the materials for these basic products are present, there is the possibility of erecting over them all the secondary and tertiary industries that have been based upon them in other parts of the world.

If I have devoted a good deal of this talk to what we might call the biology of economic growth and the general way in which oil developments are fostering favorable conditions, it is not because of any lack of concrete developments to date. Quite the contrary.

For 1948 alone, Premier Manning reported the establishment of 32 new industrial enterprises representing a total capital of more than $31 millions and employing more than 1,200 people.

Separate tabulations—obviously using a different basis of classification—reported 68 new enterprises for Edmonton and 42 for Calgary.

It should not be forgotten, of course, that the development of oil has had a pronounced effect on many existing industries. The needs of the oil drillers have increased the shipments from the cement plant at Eckshaw by four or five carloads daily. There has been a vast increase in the demands for chemicals for the treatment of wells. A rather unusual recent requirement has been the need for large quantities of starch to mix with the drilling fluid at the recently discovered Stettler pool.

Another by-product of the drilling and producing operations has been the very substantial growth of the trucking industry. I understand that several thousand additional trucks have been placed on the road since the discovery at Leduc. Many of these have been employed in carrying oil-drilling equipment, and even water for the operations in some sectors. Allied with the government's aggressive policy of highway improvement this growth in a vital transportation service holds great promise for the future.

Need Venture Capital

In pointing to the need for venturesome capital in the west, I do not wish to imply that western Canada is to be regarded as a long-shot in the economic race. There is probably nothing more certain than that western Canada will become one of the most prosperous and populous regions in North America.

But if the West is to fulfill itself soon, it must be recognized that imagination and initiative will be required. For the Canadian West will not, I believe, find that its future lies in merely imitating the achievements of other parts of Canada and the United States. Its distance from existing markets prevents any exact duplication of the story of oil in the Gulf states. Distance and other factors will probably prevent a duplication of the industrial story of eastern Canada.

BRUCE C. WILLIS

has been appointed comptroller of Hobbs Glass Ltd., London, Ont.

Smokers Top Fire Causes

From Our Own Correspondent

Winnipeg—Fire losses in Manitoba for 1948 are reported at $2,693,896 in the recently released report of Provincial Fire Commissioner H. E. Puttee. It was the third successive year in which losses approximated two and three quarter millions.

Of the total loss $2,263,896 was covered by insurance. Uninsured loss was $429,972.

There were 2,047 fires during the year in which 56 persons were injured and 17 lost their lives.

Of the total number 305 were in premises of wholesale and retain mercantile firms and 51 in manufacturing plants. Losses incurred from these two groups of fires reached $1,158,960.

In 244 cases the cause of the fires was not determined. Of the remaining 1,803 by far the biggest group was caused by careless smokers who started 479 fires, causing $97,455 loss.

Overheated stoves, furnaces, boilers, and smoke pipes started 245 fires with loss of $330,067. Defective or overheated chimneys, 158, loss $217,356; defective electrical installations, 174, loss $289,860; hot ashes and coals, 41, loss $12,797; exposure fires, 83, loss $48,608; spontaneous combustion, 58, loss $104,614; miscellaneous causes 308 with loss of $241,464.

Loss from the 244 fires the causes of which were not determined was $772,989 Ninety-five were started by lightning.

Provinces Pool Ideas For Trade Push

(Continued from page 18)

names of foreign firms interested in having their goods made in Canada.

The Dept. of Trade & Commerce "is considering" expansion of its industrial development division and, according to Mr. Mallory, substantial expansion is expected. On receipt of this news, the conference assigned Quebec's Coderre and Ontario's Lyle to visit Ottawa and learn what expanded facilities will be available to the provinces.

On a suggestion by New Brunswick's W. A. Moore, the Conference decided that it, and the provinces individually, should make later representation for expansion of Ottawa's industrial development services.

Manitoba's Rex Grose suggested that where Ottawa considers prospective new industries "ultra-confidential" it should depart a point from the letter of the confidence and give provincial organizations a chance to offer information via Mr. Mallory. Mr. Mallory said the idea will be considered, but there will be no disclosure of names.

It was agreed in principle that where the Ottawa authority is in direct negotiation with a Canadian firm, it will provide copies of all correspondence to the appropriate provincial organization.

The Provinces Abroad.

Saskatchewan's Black reported on "Saskatchewan House" in London, opened two years ago, with Graham Spry as agent-general.

British Columbia's O'Meara told of "B.C. House" under direction of William McAdam as agent-general. Mr. O'Meara said he considers B.C. House as merely a supplement—"but an important supplement"—to Canada House in London. With Mr. McAdam at London is a special B. C. Industrial and Trade representative.

Ontario's Lyle reported on "Ontario House" in London, where his branch has three engineers. Mr. Lyle said that, on the provincial level, Ontario House in London can carry through trade and industry promotion very effectively. At the provincial level, he said, high policy considerations aren't a handicap. Negotiations can be conducted in almost a private busmen's fashion. He said there's no immediate plan to open a U. S. office, but that periodic visits of Ontario staff to American prospects will continue.

Quebec's Coderre said his province considers its New York office "handsomely profitable" and that more offices (London and Paris, The Financial Post, Sept. 24) are under consideration.

Alberta's Oberholtzer told of "Alberta House" in London. He explained that it is interested mainly in immigration and trade and industry promotion.

Ottawa's Mallory said it is official belief in the Capital that the overseas offices of the provinces are "richly worth while." Then he suggested the Dominion offices abroad be called on increasingly for service to the provinces.

Should Provinces Open U. S. Offices?

Mr. Mallory's view is that existing federal government offices in United States for the time being are serving the provinces adequately. He thinks, though, that provincial officials might well supplement that service by more frequent visits to potential "clients" south of the border.

The conference consensus is that there should be more co-operation between provinces on appointment of agents and distributors.

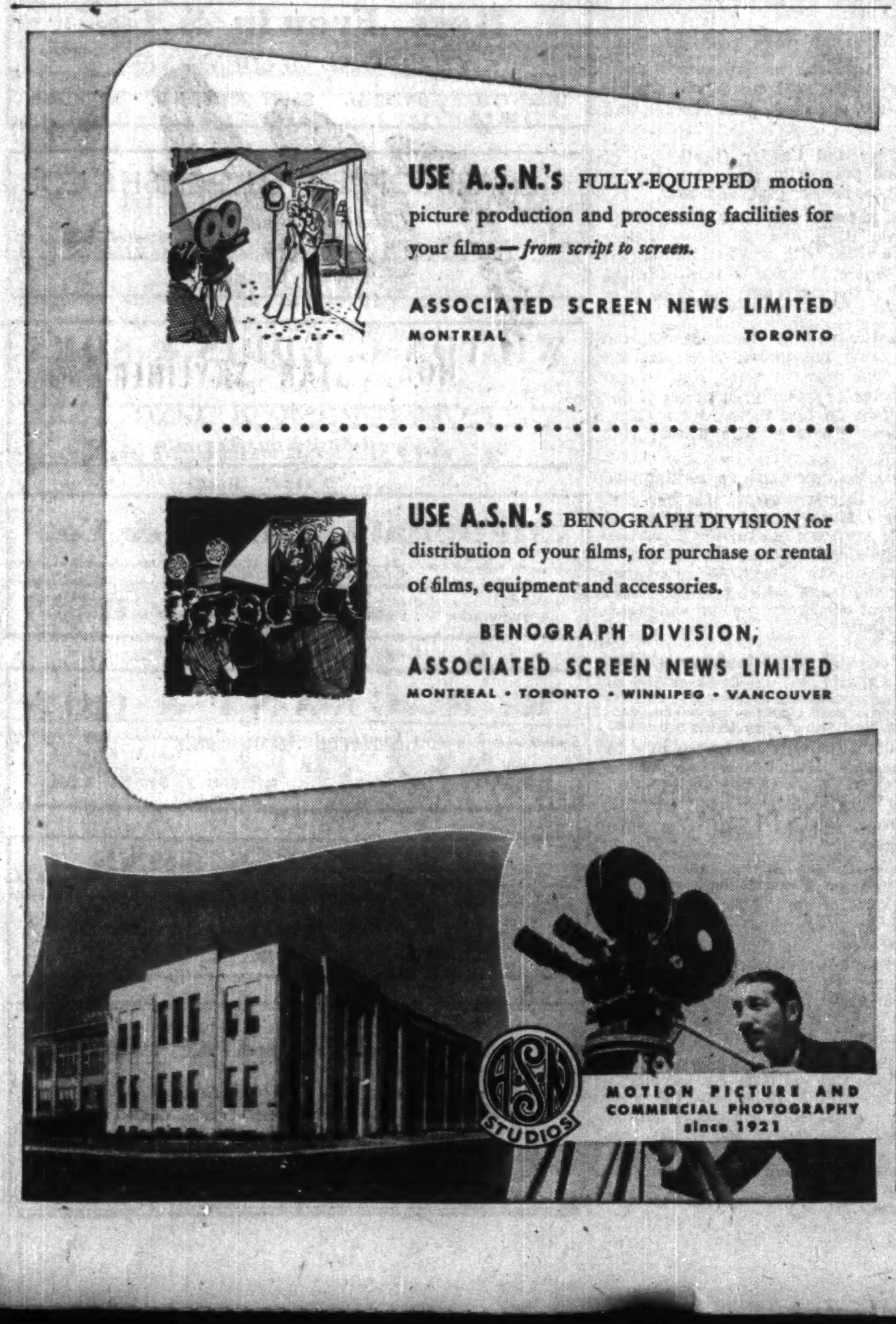
The new body will write the Federation of British Industries describing the provincial organizations and facilities. Similarly, it will submit a "brief" of self-explanation to the Canadian Chamber of Commerce and the Canadian Manufacturers' Association.

Key resolution passed unanimously as the historic first meeting ended was that "this new organization will pursue actively its chief aim: To co-ordinate the trade and industrial development of the Dominion."

Mtl. Loco. Diesel Shop Is Near Completion

The new Diesel locomotive shop of Montreal Locomotive Works Ltd. is nearly completed, the company advises shareholders. Locomotives are expected to start coming off the new station-assembly production line within two months.

In the meantime, 1,000 h.p. Diesel switchers are being manufactured "at a satisfactory production rate." Already 60 of these are in service on Canadian railways, it adds.



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How Chemistry Aids Better Living

$12,000 in Capital For Each Worker, But Here Are Results

How is modern industrial chemistry giving us a higher standard of living in the world? The story of Nylon and many other chemical discoveries was given in a recent talk, "Progress in Better Living," by Larry F. Livingston, manager of the Extension Division (Public Relations Dept.), of E. I. DuPont de Nemours & Co., Inc. before the Shoe Manufacturers of Canada in Toronto this week. Following is a digest of his address:

By L. F. LIVINGSTON

For every man and woman who has a job in the chemical industry, there is about $12,000 worth of equipment capital invested.

In the case of E. I. DuPont de Nemours Co., Inc., 88% of the company's production is sold to other companies, most of them small, for processing into consumer items. As an illustration of how this works, Polythene, which is one of the lightest plastics, is being used by hundreds of small industries to make ice-cube trays, tableware, insulation for wires and many other consumer products.

If each of these companies had to make the material themselves, not one of them would be able to sell these items, because costs would be too great.

In the rayon industry, DuPont and 14 other major companies with a combined employment of over a million people, produce a billion pounds of this man-made fibre, competing with each other to serve 13,000 smaller businesses which convert it into finished articles for the consumer.

The story and creation of such well known things as Nylon, the development of "Lucite" acrylic resin, and how they came to be, are among the many outstanding chemical discoveries today.

These items, stimulated by the research of such companies as DuPont, are only possibilities among a great many new products being created by industries, which gives this continent the highest standard of living in the world.

One of the new developments is titanium, a metal which has many of the desirable properties of stainless steel but it only about half as heavy. DuPont started small-scale production of it only recently after years of expensive research in the laboratory. It is the company's hope that eventually the metal will provide an entirely new family of structural materials. Scientists all over the country are experimenting with it now, and testing it in a wide variety of application.

A new man-made fibre which is on the way out of laboratory, "Orlon" acrylic fibre, is a tough, resilient fibre which is now being produced only on a small scale. As soon as DuPont can complete construction of a new plant at Camden, S.C., to manufacture it, the new material is expected to find numerous uses in the textile field. Its resistance to degradation by sunlight, for example, makes it a better material for use in awnings, automobile tops, and other outdoor uses.

Developments do not change our way of life overnight. They enter into our everyday living and business activities only after a large number of forces and individuals have had a chance to play their respective parts and make their contributions.

Have Common Objective

America has made progress because the traditional system provides a mechanism whereby science, labor, and management as producers, with investment of capital providing tools, work together toward the common objective of improving our welfare as consumers.

The DuPont Company, a result of that system, is one of the big businesses because under the American system today only a concern which satisfies its customers can become big.

How can industry make products available in large quantities at low cost?

When Cellophane came on the market, it sold for $2.65 per lb. and was not very satisfactory. Continuing research developed less costly methods of manufacturing it, improved the product, and these together, led to greater volume. Result? There have been 20 price reductions, and it now sells for approximately 50c a lb. Not only that, but the Cellophane is better and there have been many new types develo, ed so that today there are more than 50 different kinds. Not only that but Cellophane has been responsible, directly and indirectly, for the establishment of many new businesses, large and small.

Development of Dyes

Before the first World War Germany had a virtual monopoly on dyes, and during the war the United States could not get them.

But before the war was over, 81 companies were doing research on dyes. This was an expensive proposition. DuPont, alone, spent $43,000,000 in developing its dyestuffs industry during the next 18 years, before the earnings had offset the accumulated losses.

The net result is that today the dye industry stands second to none in quality and quantity.

Continuing industrial chemical developments are going to make the world a better place in which to liver. A government report placed rayon, a man-made fibre, with five other products as having the most effect on raising our standard of living. That report indicated that prior to the advent of rayon, the average woman in the United States had one good dress, but today that same average woman has seven good dresses.

The development of silver ceramic paint made it possible for the "walkie-talkie" to withstand jungle weather and is now making possible better and smaller hearing aids and radios.

This new development not only saved lives but is helping a lot of people to hear better. Such development can only be made in a country where the individual has the right not only to dream and think up new ideas, but can put them into execution.

Contrasted with these democratic ideals are those siren voices which would embrace a system under which no man can be rich.

Calgary Gas Rate Hearing Next Week

Hearing by the Alberta Board of Public Utility Commissioners on the application of the Canadian Western Natural Gas Co. for an increase in gas rates is likely to open again in Calgary next week, The Financial Post understands.

The first hearing on the company's application opened Jan. 12, 1949, and the first stage was completed and the Board's decision given on June 22, 1949. In this the Board dealt with the determination of the rate base and decided that an average increase of 2.72c per 1,000 cu. ft. in customer's retail rates was justified.

Canadian Western Natural Gas Co. submitted to the Board its proposed new rate schedules to give effect to this increase. These new rates will not become final until after the further hearing which is expected to open next week.

In the meantime, as a temporary measure, beginning July 1, the Board authorized the company to put into effect its proposed rates in a somewhat modified form.

What Makes Hunting Big Business?

(Continued from page 17)

can sportsman coming north after big game. This may mean that the urban dweller feels keenly the urge to "get away" from a complex civilization, or it may simply mean that the income group from which the bulk of hunters are drawn is found in cities.

If he's been hunting for any number of years, he's probably like the householder who takes out fire insurance on his furnishings: he's astonished by the variety and value of the possessions he has accumulated.

He probably paid $45 for his hunting jacket and $15 for his boots. If he spends all day outdoors in crisp autumn weather, he'll have various articles of clothing which he uses for nothing else—perhaps $15 for a set of heavy underwear, $4 for socks, $12 for hunting shirts, $12 to $15 for a special sweater, $18 for pants, $3 for a hat, and $2 to $3 for mitts. That adds up to $125 to $130 (conservatively) for clothes—and he hasn't got around yet to the equipment he needs for camping and killing.

He'll pay anywhere from $22 to $65 for a sleeping bag, and $18 for a rubber mattress. Other bags or packsack will cost him $6. After he's really innoculated with the hunting "bug," he'll probably be shopping for a trailer for his car ($350) or for an outboard motor if he's seeking waterfowl (perhaps $250-$300). A boat would cost him $200. More commonly, he'll have $10 worth of cooking utensils; and $15 kerosene stove, an $8 lamp, and a $5 axe and hatchet. Add that up (although he probably wouldn't accumulate all this array in one year) and you get something between $893 and $976. He hasn't anything to shoot with yet.

An Important Item

A Toronto dealer is showing game rifles from $44.50 to $150. The hunter probably has case, cleaning equipment and accessories costing $8. He'll set out with $3 worth of ammunition. Hunting knife and compass come to about $5. Thus, this class of equipment will range from $60 to $166.

And, of course, you can't shoot ducks with a rifle. The Toronto dealer can show you shotguns ranging from $38.50 to $235 (double-barreled or repeaters). Decoys will cost you around $25, and shells $3. While you can wear the same underclothes and shirts you have for big game hunting, you'll want waders ($8) and a jacket ($40). Your special waterfowl equipment, which may be either alternative to or in addition to some of that previously mentioned, will cost between $111.50 and $318.

Theoretically you could add upland birds (pheasants, grouse, etc.) to your quarry by doing nothing except changing to a finer shot in your shells. But, if you're an enthusiast, you'll find that the canvas clothing you use for duck-shooting is too heavy, and you'll buy a leather jacket or parka costing between $35 to $40.

The pants you use for deer-hunting will also seem heavy at this season, and you'll buy another pair for $15. Leather-laced shoes will also cost you $15. You may even want a special smaller shotgun for this activity. The cost of this upland games equipment, partially alternative, will be around $130.

One outdoor activity which can no longer be dismissed from mind is archery-hunting. It's grown big-time in Michigan where a special early season for archers brings out 10,000 deer stalkers. It's a more difficult sport in Canadian provinces because the archer finds it hard to stalk his game silently when he's in simultaneous competition with guns and dogs, but some 50 Ontarians were hunting by arrow last season and several thousand would come in from the States if a special season or district were allotted (game officials are cautious; they're afraid some deer would be wounded, escape to die elsewhere).

The archer will spend $35 to $50 for a hunting bow, and $15 to $18 for a set of arrows. His quiver is $15, and his shooting glove $3. So equipped, he represents an investment of $68 to $86 in archery equipment.

Because a particular hunter may not equip himself for every type of quarry, because the connoisseur may fondle several guns, and because it's unlikely that any hunter equips himself fully in one year, it's an oversimplification merely to add up the figures we've been citing. All that can be said is that if the hunter of several years' standing takes the trouble to make an inventory he'll probably startle himself by arriving at something above $1,000.

Now let's follow this investment on its golden path through Canadian forests. First a look at what may be typical of the Central Provinces.

The hunter will pay transportation from his home in a U. S. or Canadian city to (shall we say) Sudbury or Porcupine. This will likely be by auto or railway. The camp may be 40 or 50 miles farther in the bush, and a firm such as Austin Airways Ltd. will fly that distance for $52 per payload. Depending upon how much equipment is taken along, that will include a party or six or seven men.

There, he will find himself in one of three types of accommodation. That far in the backwoods, the most likely is the outfitter's camp which provides, lodging, food, and guides at a flat rate. A good sample would be $125 to $150 a week. The guides are generally good and the chance of getting game is as high as it can be.

A second type of accommodation, more common closer in to settlement, is the one in which a charge is made for lodging, the party fetches in its own food, and guiding service is so much per person per day. The cost of this arrangement, if guiding service is retained throughout, will be $100 per week.

The third type is the individual cabin, either owned or rented. The party packs in its own food and cooks it as well. Without guiding service, costs may be no more than $30 a week per person. The chances of getting game are, barring unusual luck, in ratio to the party's knowledge of wild life and outdoor living.

Not included in these costs are tips (the American celebrity who gets a fine trophy may be lavish to his guide) or liquor (a man who has been on many such trips believes $35 a week per man is not uncommon).

Let's say he gets a deer. It will weigh around 150 to 200 pounds, dressed. If he's near settlement, he may hire a farmer to go after it with a stone boat, and, depending upon distance and difficulty, may hand over $5 to $15 for this service. Generally, if it's late in the fall, he will depend upon the cool weather to keep his game fresh. There are, however, firms in places like Sudbury which will quick-freeze it at so much per pound. This would run around $15 or $20 for a deer.

Then there's the matter of sending the game home. Canadian Pacific Express reports that the rate from Parry Sound to Detroit is $4.25 per hundredweight, to Chicago, $6 per hundredweight, and Cleveland, $5 per hundredweight. Canadian National Express says a large number of hunters motor into Toronto on their way up and pick up their game there on the way back. The rate from the Parry Sound-Sudbury district into Toronto is $1.90 per hundredweight; from Timagami (which also involves Ontario Northlands Railway) $3.15 per hundredweight.

From the time it's shot until it arrives home, the deer's transportation will range anywhere from $15 to $40.

In B. C., where big game will attract more than 4,000 U. S. hunters this year, costs run higher. The average American is said to spend a minimum of $500 for his short trip, making a $2 millions "take" from that source alone. Individual wealthy sportsmen put out $2,400 minimum for a single trip into the Cassiar or Peace River district.

Henry MacLean, the Ontario man who made headlines a few years ago giving away bills, spent $30,000 in the Princeton area trying for grizzly. Though not necessarily typical, he didn't get one.

"Big Shot's" Paradise

Hunting in B. C.'s "last great game stand in North America" are Olson & Johnson, Herbert Hoover, Hollywood "greats," New York magnates, and Eastern Canadian business leaders. Many fly in by their own private planes, and there is seldom any publicity attached to their trips. Their junkets cost thousands per person in guides, food, liquor, equipment, and incidentals.

To the average American, B.C. costs are high, but not as great as the celebrities. One good lodge at Clearwater, in Wells Grey Park, advertises an all-inclusive 10-day hunting trip from Vancouver for $2,500 for three men: $100 a day doesn't seem to be exorbitant. To get a guide alone, and a guide is a necessity, costs between $15 and $45 a day.

B.C. hunting really begins with the opening of the moose season on Sept. 15.

Best areas are:

Cariboo for moose, sheep, goat, bear, deer, grouse, ducks, geese.

Kootenay—sheep, goat, moose, white-tailed and mule deer, elk, duck, geese, grouse, and bear.

Peace River and Cassiar (north end of province and practically virgin territory)—sheep, cariboo, moose, goat, and bear.

Duck and pheasant can be shot practically in Vancouver itself, and the Fraser Valley marshes are filled with amateur hunters all during the season. This and Vancouver Island are good, but the celebrated big game is in the interior.

At the other end of the continent, the Maritimes draw heavily on New England sportsmen. One province alone, New Brunswick, estimates its spending in excess of one million dollars. In fact there isn't a Canadian province where gunfire doesn't ring cash registers.

In Ontario, the deer carries a hunting load equal to all other species put together. Yet, except in the Muskoka and Haliburton regions which are too close to New York and Ontario population centres, deer are said to be "standing up fairly well." More concern is felt over the moose which plunges deeper into the forest ahead of even the vanguards of colonization.

In common with several other Canadian provinces, Ontario has no open season on moose this year, pending biological investigation now under way (Quebec meets the situation by upping the moose licence to $100, while Manitoba permits no moose hunting south of the 53rd parallel. New Brunswick is closed; B. C. has a moose-tagging program, unique in Canada, which will tell scientists how far the animals travel and other relevant data).

Two other Ontario attractions are the pheasant shoot on Pelee Island, which attracts hundreds of Americans from nearby states, and the goose shoot on James Bay. In the latter case, the federal government has recently established large areas of sanctuary. This year, Ontario Northland Railway is offering an all-inclusive goose-shooting expedition to Hanna Bay, near Moosonee ($200 Monday to Friday, $215 Thursday to following Tuesday).

To the American sportman looking northward, the Canadian provinces offer (a) fewer hunters per hunting area, and (b) an impression of being more remote and rugged than the woods around home. Properly managed, with an eye to conserving both hunter and hunted, our wildlife can be an enduring economic asset.

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ABOUT YOUR TAXES By STUART THOM, LL.B.

Appeal Board Decisions Hit Tax Law Principles

The majority decisions of the Tax Appeal Board in the appeal of H. D. Anger vs. The Minister deal heavy blows to at least two principles of income tax law which the Taxation Division has held very dear. Mr. Anger was a solicitor in the employ of the Dominion Government and claimed a depreciation allowance in respect of his personal library. In allowing the claim, the Board has gone contrary to the assumption which has governed depreciation since the 1940 (Pioneer Laundry) amendment.

Depreciation of Library

The Chairman, with whom Mr. Monet agreed, said, "The change in the Act (in 1940) does not permit it to be said that the Act denies to a taxpayer any right to an allowance for depreciation." Mr. Fisher in a dissenting judgment expresses the orthodox view when he says, "Under the present law, we have a statutory prohibition against a deduction for depreciation, the taxpayer has no statutory right to such a deduction."

The other sacred cow on which the Board laid violent hands has already been somewhat damaged. By allowing a claim for depreciation by a salaried employee, the Board again repudiated the principle that salary is itself net income and taxable without deduction. In so doing, the Board gave further expression to the opinion which governed its decision in the recent Trade Union Dues case. The Minister in this respect, however, has protected himself by a suitable statutory provision in the new Act so that such deplorable concessions to taxpayers will not continue beyond 1948.

Ministerial Discretion

A third blow in the Anger judgment to Departmental theory is the readiness with which the majority of the Board undertook to review the exercise of a ministerial discretion. Here, however, as with respect to the other features of the judgments, the results might be traceable to inept handling of its case by the Department. Taxpayers should be chary of assuming that the Board has gone as far as might appear to be the case from a first reading of its judgments, and further pronouncements on the issues involved will be awaited with interest.

The decisions of the Tax Board in the appeals of Mr. A and Mrs. A. vs. The Minister (the appeals were heard in camera and names suppressed) are as interesting for their implications as for what they actually decide. Although the taxpayers lost their appeals, the Minister succeeded by only a narrow margin and it is not unlikely that he will protect himself against future arguments on the same point by a suitable amendment to the Act.

Wife Inherits Property

The facts in the A's cases were that in 1945 Mrs. A inherited a substantial amount of property, so that her investment income about equalled the reward Mr. A. gained from his labors as a barrister (in each case over $660.00 annually). Accordingly and with the acknowledged intent of reducing the total tax on the two incomes, the husband and wife in 1946 each contributed roughly half the costs of running the domestic establishment, which included their three young children. In tax returns for that year, each of the spouses took the position that neither supported the other but that each was, nevertheless, entitled to claim married status on the basis that each supported a wholly dependent child, two to the husband and one to the wife.

The Chairman and Mr. Monet agreed that the contention of mutual financial independence was good, but the former denied that either spouse "wholly" supported a child, while the latter declared that it was not only feasible that this should be the case but it was established by evidence. The balance was swung in favor of the Minister by Mr. Fisher who, however, did not agree with the Chairman on all points.

Mr. Fisher held, on the basis of his interpretation of the majority decision in the Johnson case, (1948 S.C.R. 486) that a husband supported his wife within the meaning of the Act notwithstanding that the wife contributed to the maintenance of the household from her own means. At this point it is not easy to understand why Mr. A., having been admitted to married status by each of Commissioners Monet and Fisher, albeit for quite different reasons, should not have won his appeal. Unfortunately for him, however, he had taken the position that he did not support his wife and he was held to it notwithstanding Mr. Fisher's finding that he did support his wife. His appeal was dismissed because Mr. Fisher, agreeing with the Chairman, held that he had no children wholly dependent upon him.

Support Between Spouses

Mrs. A's appeal was also dismissed. The Chairman and Mr. Fisher again disagreed on the question of support between the spouses, but agreed that the wife did not support a wholly dependent child and hence could not claim married status. Mr. Fisher was prepared to hold, conversely to the husband's case, that the wife supported the husband within the meaning of the Act but this apparently favorable finding was of no benefit to her.

The unusual feature of the case is that Mr. A lost his case because he was denied the benefit of a finding which he did not ask for, but which favored him. The Minister, on the other hand, won although he went into Court with assessments which admitted that each spouse had a wholly dependent child in respect of which a deduction from tax could be claimed. Mr. A. and Mrs. A. each claimed married status, not on the basis of supporting the other, but on the basis of a wholly dependent child, and each lost. Each ended up by being taxed as single persons but apparently was allowed a reduction from tax in respect of a wholly dependent child.

The same arguments can be raised under the new Act and taxpayers so minded can still jump aboard the merry-go-round.

20,000 Beaver Is Pay-Off In Manitoba Fur Project

From Our Own Correspondent

WINNIPEG — Of all conservation projects undertaken by Manitoba's natural resources branch, the Registered Trapline project for conservation of fur has paid off quickest.

Beaver, threatened with extinction seven years ago, are now coming back. The 1942-43 census showed a population of 3,280 and only 500 were trapped. Six years later the records showed 20,000 beaver with trappers who guarded them taking 4,500 pelts.

The story of Registered Traplines is one of achievement made possible by co-operation between the Government and the Manitoba fur industry as represented by the trappers. Designed to eliminate a destructive competition which prevailed for three centuries, it planned a scheme of fur harvesting. The idea back of it was "Trapping should not be allowed just anywhere, but each trapper should have his own territory, an area where no one else may trap."

Other attempts in Canada to overcome the problem by granting exclusive use of trapping grounds to individuals have collapsed, because they didn't provide a legal description for individual lines, and because the laws lacked power to protect the trapper.

Fur administrators realized something had to be done to halt destructive competitive trapping which was the main cause of the decline in fur. As a first step the Government adopted the "district principle." It didn't attempt the impossible task of laying out surveyed boundary lines but decided natural boundaries could be used instead. These boundaries were drawn by the trappers, were reproduced on a detailed map of the district, and became the legal basis for registration.

In return for the privilege of operating on a protected trapline the trapper agreed to practice sound fur conservation. He has to improve his land, build dams where needed, and make his territory habitable for the fur-bearing animals. Special beaver reports are made annually and all irregularities brought to attention of the Government.

In 1940 the Government tried out a test area in the communities of Thicket Portage and Pikwitonei, 200 miles north of The Pas on the Hudson Bay Railway. Individual trappers registered claims to "grounds." Within a few months 66 traplines were registered and permits issued to professional trappers who established claims to specific territory.

Encouraged by success of the test area, the scheme was enlarged to include such widely separated places as Wabowden, Herb Lake, Cormorant, Cranberry Portage, Flin Flon, Sherridon, and Ilford. These areas were combined to form the Central District and by 1944 registered traplines were an accepted proven project.

In the summer of 1944 the Federal Indian Affairs department, already co-operating in the work of muskrat rehabilitation, sent out their fur supervisor to make a joint survey of northern Manitoba. Meetings were held with the Indians. A report recommended subdivision into specified sections, each under control of an officer. It also recommended a rehabilitation program of dam building and beaver transplanting.

These recommendations were adopted by a joint committee in March, 1945, and an agreement reached to provide $50,000 annually for a 10-year period. The province was to pay $17,500 for the first five years, $25,000 for the last five. Control and management remains with the province.

The agreement thus gave Dominion-provincial approval for the R.L.T. program, one of the biggest conservation projects ever launched in the north.

YOU ASKED US

The Financial Post will provide subscribers as quickly as possible with the answers to specific questions about business, taxation, investments, and other subjects. The Post cannot undertake to make predictions, will not express opinion on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. If more than one enquiry is being sent, subscribers are asked to submit each on a separate sheet of paper, to facilitate research work entailed.

INCOME TAX

Wife's Income

My wife receives about $200 a year interest from investments. The capital on which this income is earned was received by her from bequests. Am I correct in believing that, as long as the income is under $250, she does not pay income tax and it does not affect my tax in any way? Would it be different if she earned it or if I had given her the capital?

Your wife does not have to pay income tax unless her income is over $1,000. If, however, her income exceeds $250, your exemption will be reduced from $2,000 as a married man by the excess of your wife's income over $250 but not over $1,000. Under the new budget, not yet law, the exemption for a single person was increased from $750 to $1,000. The former law provided for the husband's exemption as a married man being cut by the excess of the wife's income over $250 but not exceeding $750. But the new resolutions did not mention any change from the $750 upper limit, as might be expected in view of the increase in the single person's exemption. It is expected the new income tax amendments when brought down will make the clause concerned read "more than $250 and less than $1,000" rather than "more than $250 and less than $750."

If your wife's income is derived from earnings or from capital she inherits, then it is her income and taxable in her hands if it exceeds the single person's exemption. But if her income is derived from capital you gave her, then it is considered still part of your income and taxable in your hands.

INVESTMENTS

Sherwin-Williams

Please bring me up to date on the current earnings position of Sherwin-Williams Co. of Canada.

Sales and profits of this company reached a new record in 1948 but the increase in profit was not proportionate to the improvement in sales due to increased operating costs. Manufacturing and raw material costs and freight rates rose during last year without any compensating increases in the selling prices of the company's products. The rise in sales volume was due largely to the introduction of new products on the market in the past year.

Sales for the first quarter of the 1949 fiscal year have been maintained and compare favorably with those of the like period last year as the president stated in Dec. 1948. (The fiscal year of this company ends August 31).

The Financial Post understands that the paint market this year became quite highly competitive and due to the lowering in the price of linseed oil, an important ingredient in paint manufacture, paint prices were reduced by 5% in August of this year.

This company, however, has developed a diversified line of production which includes "Green Cross Insecticides" and household waxes, polishes and cleaners. It is understood that the sales of these products have been well maintained.

More definite information on this company is not available since the annual report is expected some time in November. Net profit of the company in 1948 was $1.3 million which was equivalent to earnings of $38.98 per share on the preferred stock and $4.92 per share on the common stock. Market price of the common stock reached a high of $25 a share in January and is currently quoted at around $18¾.

York-Adelaide Realty

When will the holders of the old 7% first mortgage bonds of York-Adelaide Realty Co. receive their new bonds under the reorganization plan recently approved? What is the coupon rate and term of the new bonds? The old bonds were payable, at the option of the holder, in U. S. currency. Will the new bonds be the same?

Holders of the old first mortgage 7% bonds due 1945 of York-Adelaide Realty Co. should receive their new bonds under their reorganization plan sometime in October. The only reason for the delay in making this exchange now is due to getting the new bonds and shares printed, The Financial Post understands.

Holders of the outstanding 7% first mortgage bonds due 1945, outside of President Alex Wilson, will receive par for par new 4½% first mortgage bonds due March 1, 1949 and due March 1, 1959.

The Post understands that the interest and sinking fund requirement of the new bonds for the six months from March 1, 1949 to Sept. 1, 1949 have been deposited with the Guaranty Trust Co., the trustee for the issue.

The new bonds will not have the option of payment in U. S. currency, The Post is told.

Union Hasn't Cut Prices Newfoundland Asks Why?

By RUPERT JACKSON

ST. JOHN'S — Newfoundland business is looking forward to Premier Smallwood's Royal Commission on the cost of living, in the hope that it will clear up some of the exaggerated statements made recently.

Before announcing appointment of the Commission, the Premier had officials of the Department of Supply visit the Maritime Provinces and compare prices of commodities there with prices in Newfoundland. At the same time, other officials looked into the matter of "profits" here.

According to a published list, percentages of "profit" in Newfoundland are high. For example: the combined wholesale and retail "percentages of profit" on grapefruit is 35.4% in St. John's, 78% in Grand Falls, 46% in Buchans, and 57.3% in Corner Brook. On soap flakes (large) it is 68.4% in Corner Brook and St. John's.

But as the Newfoundland Board of Trade points out, these figures are not profit percentages, they are markup percentages. The government's figures are misleading in that they indicate that the full percentage is profit, without making any allowances for overhead, transportation, distribution and other costs.

Actually, businessmen here point out, markup percentages are lower in Newfoundland than they are in many other parts of Canada.

"One of the surprises of Confederation of Newfoundland and Canada is that it hasn't brought about a greater fall in living costs," said Premier Smallwood.

"Some members of the government, including myself, told the people to expect a considerable falling off in living costs. We believed what we told the people and we are deeply disappointed to find that our words have not come true."

Since union when Newfoundland's customs tariff against Canadian goods was taken off, many goods such as drugs, some types of hardware, clothing, etc., have dropped in price. Toothpaste, for example, dropped from 40c per tube to 25c. But the basic commodities of food on which the cost of living index here was based have not dropped at all, chiefly because there was no customs duty, or very little levied on them.

At the same time the government has been unlucky in the matter of the cost of living. It was expected that flour would drop considerably on union due to the wheat subsidy, but this was removed just prior to union. Then again it was expected lower freight rates would affect costs, but instead freight rates went up. The actual effect of it all has been that the basic cost of living has not dropped, although the removal of customs duties did in effect bring about a considerable drop in some items imported into Newfoundland from Canada.

While the Royal Commission will have authority "to have any firms books examined, to call any businessman or anyone else before them to give evidence on oath, to look into everything and to investigate everything that has any bearing on the cost of living"; the Board of Trade here doesn't expect them to find anything new.

Here are factors in high living costs over which neither business nor government has any control:

1. High costs of distribution in a province where the population is scattered and transport meagre and expensive.

2. Most merchants here have a limited market, giving small turnover and high overhead.

3. Distance from sources of supply.

4. Newfoundland's age old credit system, whereby fishermen buy from the local merchant on credit, and the local merchant buys on credit from his supplier, and so on.

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MANAGEMENT CONSULTANTS

Alta. Business Buoyant Building at New Highs

From Our Own Correspondent

EDMONTON—Business is good in Alberta. According to the latest statistical report from government officials, wholesale trade at over $216 millions in the first seven months is up 20% over the like 1948 period; customs receipts at $3.0 millions, up 22%; bank clearings at $1,228 millions, up 23%.

Construction in the key cities—Calgary, Edmonton, Lethbridge and Medicine Hat—is that way too. Housebuilding permits in eight months in the four centres numbered 6,877, up 25%, with a value of $44 millions, up 35% from the 1948 period. All other building construction is represented by 4,516 permits, up 16%, valued at over $71 millions, up 65%.

BC Pwr. Comm. Bonds Offered

The first public bond issue of British Columbia Power Commission is being offered by a syndicate headed by Royal Securities Corp. and Fairclough & Co. The issue consists of $7 millions 3% bonds, dated Oct. 1, 1949 and due Oct. 1, 1967, and is being offered at $99.50 and accrued interest to yield about 3.04%.

Of net proceeds, $6.5 million will be used for repayment of advances by the province of British Columbia and the balance for repayment in part of an outstanding $750,000 note due June 20, 1950.

Under provisions of the Electric Power Act of 1945, B. C. Power Commission was appointed on April 17, 1945. Under the present provisions of the Act, the aggregate of the sums that may be borrowed by the province and the Commission (exclusive of certain types of borrowing referred to in the Act) must not exceed the net sum of $45 millions. Net borrowings totaled $30,895,800 at Sept. 19, 1949, the prospectus states.

The Commission had acquired by Sept. 1, 1945, electrical properties with 11,906 customers. By March 31, 1949, it had acquired by purchase or expropriation a total of 21 electrical properties serving 22,252 customers and by the addition of 9,367 new services had increased the number of customers to 31,619. By July 31, 1949, the properties of Northland Utilities (B.C.) Ltd. at Dawson Creek and the City of Courtenay had been acquired with 3,100 customers at dates of acquisition and 1,044 new customers added. This brings the total number of electrical properties of the Commission to 23 and total customers to 35,763.

Work on the second major development of the Commission is in progress on Arrow Lakes near Needles in the southern interior of B.C. This plant scheduled for completion in 1951, will initially produce 25,000 k.v.a. for delivery to the Okanagan and Kamloops areas, lowering generating costs in this area through the elimination of costly generating plants at Barriere and Kamloops and the shutting down except for supplementary purposes of Shuswap Falls plant. Ultimately the project will be doubled.

The first major project of the Commission was the John Hart Development at Campbell River on Vancouver Island which now produces 100,000 k.v.a. and eventually will supply 180,000 k.v.a.

Devaluation Move Sees Wool Bid Up At Busy Auctions

Dominion wool prices in the open markets of Australia, South Africa and the United Kingdom have moved sharply upward since devaluation. The advance has been at least 10% to 15%. Part of this advance, however, merely offsets a decline which had taken place in immediately prior weeks.

Demand from certain wool-consuming countries, which had been temporarily withheld while uncertainty existed concerning future of sterling, has now been released and prices are going up under competition which is probably more widespread than for several months. U. S. buyers, who find Dominion wools relatively cheap as a result of devaluation of sterling, are operating both in the Dominions and in London. Buying countries also include most countries of Continental Europe, some of whom have devalued their currencies relatively less than sterling, while Russia has made her first appearance of the season in primary markets.

Yorkshire, however, continues the most powerful influence in both Dominion and London markets. Yorkshire importers are buying to sustain the high rate of machinery activity in Britain and to provide raw material supplies for an intensified export campaign in dollar markets with British wool manufactures.

MACDONALD MINES has received payment for Oct. 15 installment of 20,000 shares at 20c. share under agreement with W. E. Burke. Issued capital is 2,389,953 shares, leaving 610,047 shares in the treasury.

TOWER PETROLEUM has received payment for 100,000 shares at 25c. a share, part of Nov. 2 installment under agreement with Frame, McFadyen & Co. Issued capital is 2,632,005 shares, leaving 867,995 in treasury.

Wrigley Wins 8-Year Fight On Tax Right

Privy Council Rules on Taxation of Goods Made in Ont., Sold in Man.

From Our Own Correspondent

WINNIPEG — Right of a corporation to claim deductions in income tax in cases where goods are manufactured in one province and sold in another, was established in a Privy Council decision Oct. 12 ending eight years litigation with the Manitoba government.

Case originated in a corporation income tax assessment made by the provincial treasurer under Manitoba's Income Taxation Act on the William Wrigley Co., manufacturers of chewing gum. Thus the points involved arose only under the provincial income tax law in force at the time in Manitoba.

The company sold its product in Manitoba from a warehouse in Winnipeg. The gum was manufactured in Toronto.

On profits of its sales for the years 1936-39 inclusive the provincial treasurer assessed the company $21,255. The company claimed that in assessing tax on its profits in Manitoba an allowance should be made for manufacturing profit in Ontario. The Privy Council upheld this contention.

On receipt of its assessment in 1941 the company had the right of appeal and did appeal to the provincial treasurer. He upheld the assessment of the income tax branch.

On a further appeal to the Court of King's Bench, Mr. Justice Major not only held an allowance should be made for manufacturing profit in Ontario but prescribed a formula upon which this allowance should be computed. On the basis of this the court said the proper assessment was $8,654.

The provincial treasurer appealed to the Manitoba Court of Appeal which by a three-to-two decision reversed the judgment of Mr. Justice Major.

The company then appealed to the Supreme Court of Canada which heard the case twice. On the first hearing in 1946 Mr. Justice Hudson, one of the judges on the case, died before the court gave its decision. The other four divided two and two. On the second hearing the Supreme Court reversed the judgment of the Manitoba Court of Appeal, again by a split three-to-two decision.

The provincial treasurer carried the appeal to the Privy Council. Before the appeal was heard it had previously given judgment on an exactly similar case launched by the International Harvester Co. against the Saskatchewan Tax Commission. The decision in the Saskatchewan case established that International was entitled to an allowance for manufacturing profit. Thus this point was no longer in issue when the Manitoba case was argued. The only point involved was whether Mr. Justice Major had authority to prescribe, as he did, the formula for determining the allowance to be made the company.

The decision also affected similar assessments by the Manitoba treasurer on the Wrigley Co. for 1940 and part of 1941, made after the litigation was started. The Privy Council awarded costs against the province.

Crown Cork & Seal Earnings Maintained

Earnings of Crown Cork & Seal Co. for the first nine months of 1949 are at approximately 1948 levels in spite of heavy reductions in sales of bottle-filling and capping machinery, President W. F. Hart announced.

Volume of sales of crown corks (bottle caps) in the 1949 period showed an increase of 11% above the corresponding period in 1948, he stated.

In the whole year 1948 the company showed a net profit of $506,352, equivalent to $5.06 a common share.

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Columbia Cellulose Plant Progresses

The general construction program of the high alpha cellulose plant of Columbia Cellulose Co. on Watson Island near Prince Rupert, B.C., is proceeding satisfactorily, the company states.

One of the larger steel structures is already under its concrete roof and a second is about to reach that stage. Considerably more than one third of concrete necessary for the construction program has been poured. The fabrication of wall panels and roof slabs on the plant site has been accelerated in recent weeks with the result that about 42% of the total requirements are now ready for assembly.

More than 1,000 persons are now directly engaged in the construction. This figure, a new high mark, includes the office staff of the pulp company and workers on the payrolls for the various contractors.

For the fresh water line from nearby lakes to the filtration plant, concrete pouring for the floor and curb of one of the three tunnels is now well advanced. The laying of the wood stave pipe line also has got under way. The underground fire lines are now more than half completed.

Reports from manufacturers and suppliers of equipment for the plant indicate that the machinery program is well ahead of schedule, it is stated.

TAKU RIVER GOLD MINES produced 3,549 oz. of gold from 8,579 tons of ore milled in September. Although September tonnage was lower than in August, ore grade was substantially higher. Officials anticipate that combined effect of the 10% rise in return on gold and revised emergency aid bonus will amount to between $3,000 and $4,000 additional revenue per month.

Manitoba Municipal Figures Show Current Levy Up 14.3%

Marked increase in the total current tax levy and a slight increase in total of unmatured debentures and deferred liabilities were features of finance of Manitoba's municipalities for 1948 according to statistics issued by Hon. Sauveur Marcoux, Municipal Commissioner.

Current tax levies for 1948 totaled $26,316,544, — an increase of $3,282,431 or 14.3% over the 1947 levy of $23,034,113. It was $8,875,663 or nearly 51% higher than the total 1940 current levy of $17,440,881.

Total tax collections held up, however, being about 103.8% of the current levy in both 1947 and 1948. Collections totaled $27,328,735 in 1948, $23,935,197 in 1947.

Tax arrears, including tax sale certificates and agreements for sale, totaled $9,489,395 in 1948, slightly higher than their total of $8,943,275 a year earlier.

Unmatured debentures and deferred liabilities totaled $54,213,204 at Dec. 31, 1948 — up $369,661 or 0.7% in the year, etc. This debt is over 36% lower than its Dec. 31, 1940 level of $85,276,869.

Total taxable assessment jumped $38,634,246 to amount to $519,799,574 at Dec. 31, 1948 — up 8.0% from the previous year's total of $481,165,328. Just over half its total assessment is in the cities ($262,308,877), the balance ($257,490,697) being in the municipalities, villages and towns with rural municipalities amounting for the bulk of the figure ($196,743,068).

NORMETAL MINING CORP. has declared an interim dividend of 10c. a share payable Dec. 9, 1949, to shareholders of record Nov. 14.

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Provincial Roundup

Significant events in public affairs and business in the Canadian provinces

British Columbia

Want More Roads: Cabinet ministers are in for a warm time when the Associated Chambers of Commerce of lush Vancouver Island start putting on pressure to spur island development. H. Cuthbert Holmes, association president, summarized discussions of a meeting in Victoria by noting that—"after 100 years, this rich area which has yielded so much wealth to the provincial and Dominion treasuries finds itself with but one main road clinging to the east side of the island, and without roads from the east to the west side." Vancouver Island, which is B. C.'s chief source of forest wealth, is credited with having created more millionaires than any area of like size in Canada.

Disaster Plan: Efficient methods of coping with a "Noronic" fire, "Texas City" disaster or an A-bomb explosion are being forcefully urged by Chief Constable Mulligan, Vancouver, who visited the "Noronic" and saw how a disaster plan would have aided in handling Toronto's marine tragedy. His plan would cover not only waterfront fires or explosions but would deal with any type of civilian disaster; form a nucleus for combating wartime holocausts.

Forest College: Assisted with $120,000 grant from the B. C. Loggers' Association, B. C. University officials are turning a 9,600-acre wooded wilderness near Haney into a practical outdoor school where students will be trained in ecology, entomology, soils and other skilled fields. Research techniques thus learned will be put to practical use in the province's lumbering industry. Annual growth in the area is estimated at 1,250,000 board feet, students' efforts may increase this to 4 million board feet.

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Alberta

Alberta Has It: Big British steel firm, the Simon organization with world-wide ramifications is now looking at Alberta as the possible site of a Western Canada steel industry. Executive of the firm pointed out that Alberta coal reserves are fantastic, it has abundant raw materials and probably presents greater possibilities of heavy industry developments than anywhere else in the world. The organization, which built the Renown Flour Mill in Calgary, also specializes in coke ovens, industrial furnaces, claims it could supply equipment more cheaply than the U. S.

Science Centre: New $500,000 agricultural science research centre developed by the Federal Government near the Dominion Government experimental farm gives Lethbridge largest, most complete agricultural research facilities in Western Canada. It will speed up research work carried on for some time at Ottawa and agricultural scientists in all departments will combine in attack on all problems affecting the prairies' agriculture.

Oil Sands Plant: Skeleton crew of six men will keep Alberta government oil sands testing plant at Bitumont on the Athabasca River in shape during the winter months. Workings of the plant have created considerable interest in Canada and the U. S., according to Minister of Industries and Labor Robinson. Tendency of the Athabasca during summer to build up a sandbar around the pumping station may necessitate its removal to another site. During the summer the plant produced some 300 barrels of oil daily.

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Saskatchewan

Vote Issues: Municipal elections, Nov. 2, will find Weyburn's citizens doing a lot of voting. Besides casting ballots for city council, three other decisions pend: 1. Approval of a $50,000 money by-law to finance improvements to city power plant. 2. Confirming agreement whereby the city agrees to purchase water from the province at 13.3 cents per 1,000 imperial gallons. 3. Construction of a union hospital for Weyburn and surrounding communities, plans of which have been three years under way. Project would cost $500,000, aided by government grants of $150,000, debentures, $330,000 and by other means.

Town With A Future: Getting ahead is Indian Head, planning expansion and a $185,000 union hospital. Town boasts it is the only town between Regina and Virden, Man. with complete waterworks system; is the birthplace of the Sask. Curling Association; has just sponsored the greatest baseball tournament in Canada and third largest in the world. Two government farms bring many visitors—Dominion forest nursery station ships 3,000,000 trees yearly to farmers; Dominion experimental station is investigating new weed killers, sawfly resistant wheat and livestock nutrition.

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Manitoba

Hydro Shortage: Unforeseen demand for more Hydro power has brought danger of a shortage in Manitoba much nearer than forecast in the Hogg Report of 1948, J. W. Sanger, Winnipeg Hydro manager says. Maintained Winnipeg River flow of 18,000 c.f.s. during winter months, augmented by steam generating plants, is required to meet present demands. Looking into the future, Mr. Sanger could see no prospect of the situation easing; 1951-52 would see first Pine Falls generator plant in operation with all power absorbed; in 1952-53 it would take the entire output of Pine Falls, City Hydro, and Winnipeg Electric to meet demand at 18,000 c.f.s. rate of flow.

Northern Road: Construction of a highway between Cranberry Portage and Snow Lake to be built as soon as The Pas-Flin Flon Highway is completed next year, gained ground at reports a plane had carried out a survey of the area's terrain. Covering some 100 miles the road would open up a number of small mines unable to operate due to high transportation costs; would attract tourists to a virgin stamping ground.

Winnipeg Building: Possibility that 1949 would be Winnipeg's biggest home-building year in history has been increased with the release of building permit figures for the first nine months of the year. With permits being taken out for construction of 974 new dwellings costing $6,145,900 the jump in value is $700,000 over last year's near-record figure. Altogether permits issued for domestic, commercial, and industrial construction and renovation this year total $12,057,700

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Ontario

Sun-Tanned Milk: Old stuff in Toronto and Hamilton for the past 10 years, "irradiated" milk is now on sale in Ottawa. Treated with sunlamps the milk is pepped up with 400 units of vitamin D. Difficulty in obtaining equipment during war and time required to bring district dairy farms up to standard had stalled Ottawa production. Milk is raw blend of four types, Ayrshire, Guernsey, Holstein and Jersey with butter-fat content of not less than 4 per cent. Farmer suppliers are paid a premium; consumers pay two cents more.

Border Privilege: Skilled furniture packers with Windsor firms operating across the border are now allowed to proceed without consular visas, Board of Immigration Appeals, Washington, has decided. Issue arose when a Windsor man was stopped at the border suddenly after years of crossing with no visa. Board ruled "that because of the particular skill of employees, such packers that operate across the border only temporarily, and for the purpose of consummating delivery, consular visas will not be required."

Smoke: Blazing in Parliament under the smoke that makes Toronto areas the "dirtiest, smoggiest, smokiest places in Canada," Tory, Liberal and C. C. F. M.P.'s alike have been choking on their opinions. Roundhouse swings were tossed at railway roundhouses and steamships; "You can see the smoke long before the shore line; it makes life an intolerable burden to people in the district; one can dig in the soil and find a layer of soot and coal dust inches thick; creeps into houses, dirties the wash; ailing children have throats and lungs filled with the stuff." Praised was replacement of steam-switching engines to Diesels (Toronto now has 172). Cost of installing control devices for Toronto and other centres was figured at approximately $134 millions.

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Quebec

Taxi Code: Formation of a Taxi Co-ordination Bureau to screen and supervise drivers is new deal being offered Montreal cab users. Adrian Allard, managing director of the bureau declared the organization embraces owners of more than 70% of the taxis in the city, said that only 20% of the cabbies bring complaints through reckless driving, dishonesty and lack of courtesy. Under TCB code, drivers must undergo examinations for skills and have their general behavior closely supervised. Montreal has some 6,000 drivers operating 3,500 taxis in shifts.

Golden Gateway: New Quebec border post costing $850.000 has been dedicated near Lacolle. Opened at the same time was the Montreal-Champlain, N. Y. Highway. Customs office net has grown from $379,000 decade ago to $3,793,000,000 in 1948. First six months of this year alone tourists brought in $3,000,000. Opening of the post, named "Blackwell" in honor of Donald E. Black, M.P., saw Canadian and U. S. officials cementing friendship, urging lessening of trade barriers between the two countries; easing of examinations of tourists at the customs offices.

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Nova Scotia

Business Lost: Halifax port has lost an estimated $3 million annual business with the decision to transfer operations of the cable ship John W. Mackay to Plymouth, Eng. Devaluation of the pound was said to have been a factor in making change, but move had been anticipated for some time due to high wages paid Canadian seamen. Some 35 Nova Scotians of the ship's 60-man crew will lose their jobs; port supply stores and repair shops will also be hard hit. Remaining, however, will be two other cable ships, the Cyprus Field and Lord Kelvin.

Offer Cut In Half: Slicing off $325,000, the Parish of Lancaster has made Central Mortgage & Housing Corp., owners of 106 homes in the Fundy Heights development, a counter offer of $325,000 for the houses it is revealed. The corporation had asked $650,000. The houses were estimated to have cost $8,600 each to build and have returned approximately $1,500 each to the corporation. R. A. Ross, chairman of the parish board of assessors said council felt the price was too high, in spite of the fact the parish intended to retain its high residential status.

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Newfoundland

New Shipping Point: In a brief to The Royal Commission on Transportation, the Newfoundland Government has requested that either Halifax or Saint John be made the main shipping points to the island province instead of North Sydney. The new service is wanted particularly during winter months when North Sydney is said to be badly congested with faulty service on the Sydney-Louisburg Railway adding to general delays. Maritime shipping companies have also asked that the two ports receive the "all rail haul" for shipments going to Newfoundland. This would bring the shipments under the Maritimes Freight Rates Act, eligible for a 20% reduction.

Hotel Taken Over: Newfoundland Hotel, largest in the province has been taken over by the Federal Government, Premier Joseph Smallwood discloses. Situated in St. John's, the hotel was built in 1925 at a cost approaching $1 million. The operating company defaulted on its interest payments, guaranteed by the Newfoundland Government, and in 1929 the Government took possession. Announcement of the Federal move came while the hotel was under discussion by the Royal Commission on Transportation.

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Prince Edward Is.

New Cabinet: In a surprise move Premier J. Walter Jones announced cabinet changes, dropping several portfolios himself. Retaining only Public Works and Highways, he gave F. A. Large, formerly Attorney General, the Ministry of Education; J. W. Arsenault is Provincial Secretary, and Eugene Cullen Minister of Industry and National Resources. New members are C. C. Baker, Minister of Agriculture replacing W. F. A. Stewart, and W. E. Darby, Attorney General and Provincial Treasurer. A. W. Matheson continues with Health and Welfare, and H. H. Cox and J. G. Campbell, Ministers without Portfolio.

Busy Ship: For the first time since the service started, the provincially owned motor vessel "Eskimo," used by a Crown Corporation to sell Island produce to Newfoundland, could not carry all cargo offered. A small vessel was chartered this week to carry the surplus freight. The Eskimo is loading principally potatoes right now, although it had a load of perishables in the refrigerator. The vessel will go in the West Indies trade this winter, when harbors on the two Islands are closed to shipping.

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New Brunswick

Shipshape Again: Extensive repairs to H.M.C.S. Magnificent in drydock at Saint John since running aground off Nova Scotia's coast last July have been completed. The accident occurred off White Point Beach some 70 miles southwest of Halifax. At the time the carrier, with some 1,100 crewmen and officers aboard, was on a routine training cruise when she struck a ledge. During her stay in drydock work was provided for several hundred skilled men.

County Records: Revaluation of properties in 12 of Saint John's 13 wards will be completed by year's end. Program was started under a Common Council order of 1945 and during 1949, 1,780 records were made in Victoria and Dufferin Wards. Plans of CNR, CPR and National Harbor Board have also been received and incorporated in tax maps. For the first time, and defined as "essential for proper administration of the assessment department," a search of the records office for mortgages was made.

—Photo by Karsh.

SYDNEY G. DOBSON

has been elected chairman of the board of the Royal Bank of Canada.

Business Holding Level For Modern Tool Works

Business of Modern Tool Works, Toronto, is running about same as last year, the company reports. Orders on hand total $650,000 as against $500,000 at end of 1948.

Several new types of tools have been added to present production, including lathes and drills. The Alfred Herbert Ltd. agency which had been held for Canada has been dropped but the company has added the products of the Association of British Tool Manufacturers, composed of nine companies.

Net profit in 1948 amounted to $31,067, equal to 31c. a share as compared with $29,520 and 30c. a share in 1947.

Working on Survey For Canso Bridge

Survey parties are still in the field in connection with the Strait of Canso bridge project, Hon. Lionel Chevrier, Minister of Transport, stated in Parliament recently.

A contract let under tender to Foundation Maritime Ltd. on July 28, 1949, for boring to rock on the side of the proposed bridge piers was completed at the end of September. Marine cables at the bridge site have been moved to a new location.

Preparation of plans for the bridge piers are under way. Final design for these structures could not be completed until rock-boring results were obtained, Mr. Chevrier stated.

P. L. Pratley, Montreal, consulting engineer, has been in charge of the surveys and of drawing plans.

Tenders are expected to be called in 1950 for the project.

Union Gas Co. Gas Supply Position Good

Union Gas Co. of Canada will enter the winter season with one of the best storage supplies in years, The Financial Post understands. Officials estimate that the company will be able to cope with the consumer gas requirements of even an unusually severe winter. At the moment there is around 2.5 billion cu. ft. of natural and "still" gas in storage tanks and storage fields (annual gas consumption in company's area is running close to six billion cu. ft.).

Delivery of Texas natural gas from the Panhandle Eastern Pipeline Co., Kansas, is the big factor in the improved gas supply situation. Fairly regular, though at first small shipments, of gas were received this summer from the U. S. company, but the supplies rose to some 10 million cu. ft. a day in September. This source, of course, will be cut off with approach of colder weather and heavy demand period in the U. S.

Although Union Gas contract with the Panhandle company calls for 5.5 billion cu. ft. of natural gas a year (first delivery started this summer), Union has arranged an option for importation of a much greater quantity—enough to supply estimated demand from entire southwestern area of Ontario. (The company is currently exploring the possibility of supplying Texas natural gas to Toronto, Hamilton, Windsor and other large communities in this area.)

Toronto Junior I.D.A. Plans For New Season

The Toronto Branch of the Junior Investment Dealers' Association of Canada plans for the coming year include regular monthly dinner meetings with prominent guest speakers. Instructive films may also be shown to members. Organized tours in industrial plants are being arranged and it is hoped that the association may also undertake some worthwhile community service projects.

Last year the association had some 80 members, hopes for 100 this year.

General Steel Wares

Contrary to a statement in The Financial Post of Oct. 8, General Steel Wares Ltd. obtains only about 20% of its steel from the United States, not 70%, W. F. Holding, vice-president and managing director states.

The Wawanesa Mutual Insurance Company

Admitted Assets	$9,273,712.41
Surplus	3,596,934.20
Dom. Govt. Deposit	2,447,256.33

Write for Financial Statement

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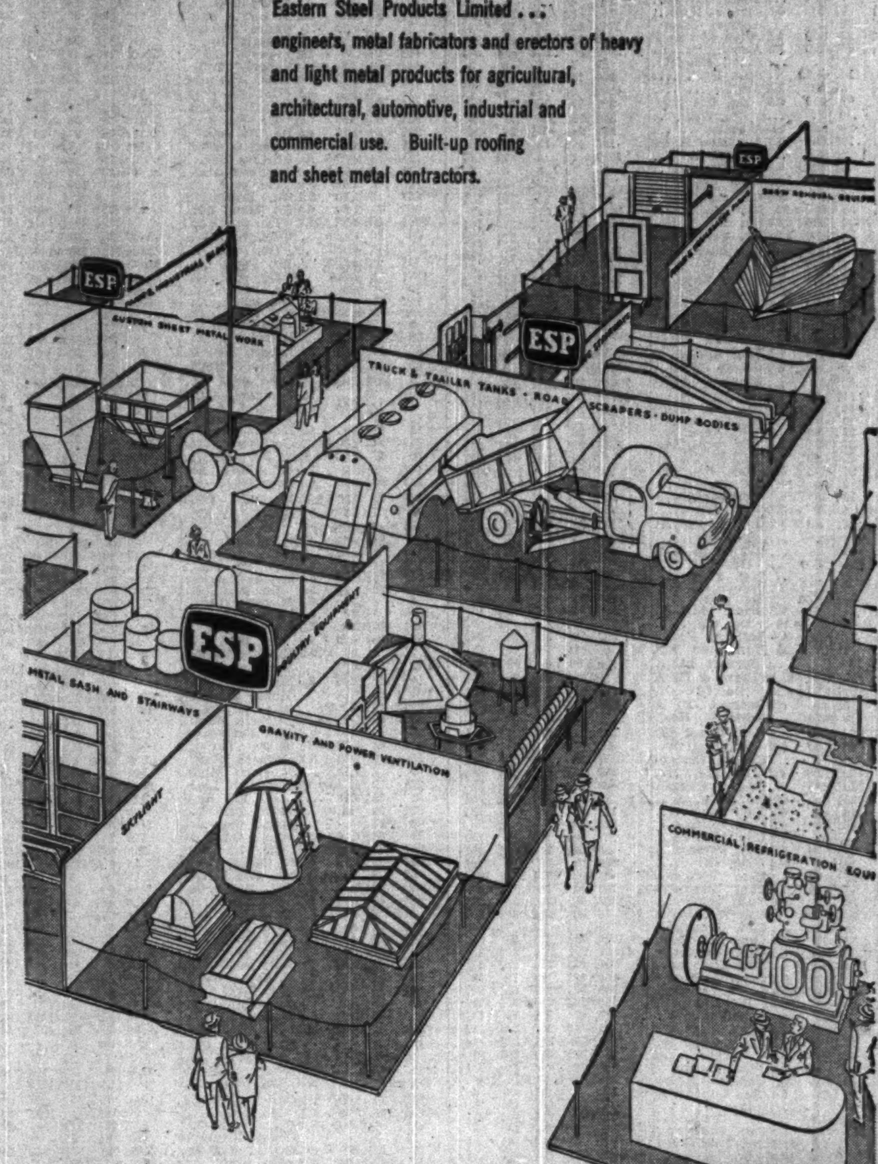

EASTERN STEEL PRODUCTS LIMITED

OFFICES: TORONTO, MONTREAL • PLANTS: PRESTON, TORONTO, MONTREAL

EASTERN STEEL ESP PRODUCTS LIMITED

300 ft. by 8 ft. Lime Kiln at Long Lac Pulp and Paper Mill, Terrace Bay, Ont.

A-C ALLIS-CHALMERS

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The largest rotary lime kiln made in Canada—a 300 foot city block long—was recently built by C A-C at Lachine Works, P.Q. for a pulp and paper mill.

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THE WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto Winnipeg, Calgary and Vancouver

WEEK ENDING OCTOBER 14

Range 1949 High	Low	Div. $	Oct. 14 Yield %	Company	Sales	Last Oct. 7	Week end. Oct. 14 H	L	Cl'se
[illegible]									

*On arrears. Net after income taxes. ●Participating div. ●After stock split. ‡Plus extras. †Payable in 1950. ●Paid or payable in 1949. ‡Plus payments on arrears. ‡Paid in 1948. *N.Y. funds. ●Dividend deferred.

Mining Stocks

Week Ended October 14

Range 1949 High	Low	Div. Rate	Oct. 14 Yield %	Company	Sales	Last Oct. 7	Week Ending Oct. 14 High	Low	Close
[illegible]									

Oil Stocks

Range 1949 High	Low	Div.	Yield %	Company	Sales	Last	High	Low	Close
[illegible]									
2.60	1.11	‡2.10	....	Okalta	59,200	1.94	2.11	1.90	2.02
3.20	2.00	.10	3.3	Pac. Pete	48,680	3.00	3.15	2.97	3.05
.25	.09	....	....	Pan West	61,060	.10½	.16½	.11	.15
.05½	.03½	....	....	Phillips P.	14,500	.04½	.04½	.04½	.04½
.42	.17½	....	....	Princess P.	16,300	.28	.29	.27	.27
.60	.23	....	....	Roxana	7,900	.38	.44	.38	.42
.13	.06	....	....	Royal Can.	35,500	.07	.07½	.07	.07½
8.95	5.85	*.19	....	Royalite N.	50,531	8.80	8.95	8.70	8.85
.15	.05½	....	....	Share Oils	23,100	.06½	.08	.07	.07
.23	.10	*.01	....	So. Brazeau	16,200	.11½	.12	.11	.11½
.40	.20	....	....	So. West Pete	1,500	.35	.35	.35	.35
.38	.15	....	....	Spooner	1,550	.20	.22	.20	.22
.20	.12	§.01½	....	Sunset	4,000	.16½	.16	.16	.16
.53	.29	....	....	Superior	18,782	.40	.40	.38	.39½
1.80	.40	*‡1.35	....	Texas Can.	10	.50	.50	.50	.50
.51	.30	....	....	Tower P.	59,000	.41	.40	.35	.41
.17	.08	....	....	United Oils	5,300	.09½	.10	.10	.10
.30	.18	....	....	Vanalta	3,000	.22½	.23	.21	.21
.20	.05	....	....	Warner	15,000	.06½	.06½	.06½	.06½

* N. Y. funds. s Extra. § Paid in 1948. ● Paid or payable in 1949. ‡ Capital Distribution. † Payable in 1950.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
Oct. 17	155,000	777,000	56,725	68,070	1,420,000
Oct. 15	90,500	561,000	31,555	20,980	590,000
Oct. 14	162,560	1,109,000	95,720	103,574	1,460,000
Oct. 13	299,700	1,235,000	146,615	85,752	2,250,000
Oct. 12	273,400	1,188,000	160,665	106,188	....
Oct. 11	328,300	[illegible]	90,284	137,940	2,040,000

BUSINESS BAROMETER

	OCT.	SEPT.	AUG.	JULY	Year Ago
GOVERNMENT FINANCE (millions of $)					
●Dom. total expend.	....	189.4	147.1	153.8	174.9
●Dom. total rev.	....	174.0	167.8	204.8	190.8
MERCHANDISING					
●Dept. store sales (3)	+6	+8	+8	+3.7	....
Country store sales (3)	....	....	....	—3.2	....
Retail store sales (3)	....	....	....	+5.4	....
Wholesale sales index (1)	....	....	....	285.2	283.3
FINANCE					
●Dividend payment index (1) (5)	215.3	213.3	212.7	213.5	204.3
●Money supply (millions $)	....	....	4,188	4,173	4,046
NEWSPRINT CAPACITY					
Production ratio (7)	....	....	99.7	101.2	102.8
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.) (1)	....	....	223.4	192.6	192.1
Cars (D.B.S.) (1)	....	....	158.4	151.7	155.0
COST OF LIVING					
D.B.S. (1)	....	162.3	162.8	162.1	158.9
EMPLOYMENT INDEX					
All industries (6)	....	....	199.1	198.9	200.9
●Payrolls (June 1/41=100) (2)	....	....	217.3	216.8	206.7
MANUFACTURING					
Inventories (1947=100)	....	....	....	131.6	124.4
Employment (6)	....	....	205.9	207.4	205.8

	1949	1948	1949 Jan. 1 to date	1948 Jan. 1 to date	% Change
RAILWAYS—(000's omitted)					
●Carloadings (week Oct. 8)	89.1	91.3	2,987.8	3,088.1	—3.3
C.N.R. gross rev. (Aug.)	42,623	40,440	320,802	310,705	+3.3
C.N.R. net rev. (Aug.)	1,049	270	2,395	3,083	—21.6
C.P.R. gross rev. (Aug.)	30,876	30,942	235,263	221,588	+6.3
C.P.R. net rev. (Aug.)	1,598	1,913	6,222	3,514	+78.9
IRON AND STEEL PRODUCTION (000's omitted) (July)					
Pig iron production (tons)	175.4	187.9	1,310.8	1,219.6	+7.5
Steel production (tons)	238.3	244.9	1,914.4	1,840.8	+4.0
CONSTRUCTION (000's omitted)					
●Contracts awarded (Sept.)	103,318	79,729	812,080	744,237	+9.1
●Cement prod., bbls. (Aug.)	1,482	1,349	10,533	9,060	+16.3
AGRICULTURE (000's omitted)					
Flour prod., bbls. (Aug.)	1,750	1,611	12,622	14,535	—13.0
Flour exp., bbls. (Aug.)	896	933	6,311	8,129	—19.9
Wheat exp., bush. (Aug.)	19,981	9,630	136,234	81,911	+66.3
●Cattle sales (Sept.) (4)	228.4	265.3	1,225.9	1,275.6	—3.9
●Hog sales (Sept.)	345.4	290.5	2,866.7	3,599.9	—20.3
SEA FISHERIES (000,000's omitted)					
Catch, lb. (Aug.)	147.6	137.4	744.2	823.4	—9.6
Landed value (Aug.)	9.7	9.8	36.8	40.5	—9.1
NEWSPRINT (000's omitted)					
Production (Aug.) (7)	447	422	3,474	3,283	+5.8
Exports tons (Aug.) (7)	407	398	3,024	3,036	+4.5
MINING AND OILS (000 omitted)					
Coal prod. (tons) (Aug.)	1,243	1,384	11,431	11,327	+0.9
Gold prod. (fine oz.) (July)	328	296	2,290	1,993	+15.3
Petroleum prod. (bbl.) (June)	1,701	1,038	9,813	5,125	+91.5
ELECTRICAL POWER OUTPUT (000,000 omitted) (July)					
Total monthly kwh	3,730	3,657	27,192	26,181	+3.9
FOREIGN TRADE (millions of $)					
●Imports (Aug.)	212.1	206.5	1,832.4	1,701.7	+8.9
Exports (Aug.)	251.7	224.1	1,917.6	1,873.1	+2.3
FINANCE (millions of $)					
Bank debits (Aug.)	6,447	5,740	54,635	50,502	+8.2
●Bond sales (Sept.)	371.3	861.7	3,337.6	3,603.8	—7.4
●Life insurance sales (Aug.)	89.6	84.0	826.0	788.5	+4.8
OTHER INDUSTRIAL FACTORS					
Shoe prod. (July) (000)	2,322	1,953	20,891	18,214	+15.2
Cigarette cons. (000,000) (Aug.)	1,516	1,318	16,254	14,939	+8.8

(1) Base period 1935-39=100.
(2) All industries.
(3) % change from year ago, latest week or monthly average.
(4) Total at yards and plants.
(5) Nesbitt Thomson, etc.
(6) Base period 1926=100.
(7) Includes Newfoundland.
●New item for week.

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporation and Foreign Securities

DOMINION

Canada Treasury Bills—Due Jan. 6, 1950, $75,000,000, issued Oct. 6, 1949. Sold at $99.87252 to yield .512%.

MUNICIPAL

City of Hull, Que.—3¼ and 3½% debentures, due Feb. 1, 1950-63, $981,000, issued Oct. 11, 1949. 1950-59 debentures sold at $100 and interest, 1960-62 debentures sold at $99 and interest, 1963 debentures sold at $98.50 and interest by Bell, Gouinlock & Co. Ltd. and McLeod, Young, Weir & Co. Ltd.

Rural Portion of School District No. 20, Salmon Arm, B.C.—3¾% debentures, due Sept. 1, 1950-69, $167,000, issued Sept. 26, 1949. Sold at $99.28 to Pemberton & Son, Vancouver, Ltd. and Graham & Co. Ltd.

Town of Sydney Mines, N.S.—3% and 3¼% debentures, due Oct. 1, 1950-57-64, $60,000, issued Sept. 29, 1949. Sold at $98.64 to F. J. Brennan & Co. Ltd.

City of Grand Forks, B.C.—4% debentures, due July 15, 1950-64, $35,000, issued Sept. 29, 1949. Sold at $100 to McMahon and Burns Ltd.

Town of Beloeil, Que.—3% debentures, due Aug. 15, 1950-64, $55,000, issued Oct. 3, 1949. Sold at $97.57 to Dudley Dawson Ltd.

Town of Nicolet, Que.—3% and 3½% debentures, due July 1, 1950-59-64, $126,000, issued Oct. 13, 1949. Sold at $98.022 to Wood, Gundy Corp. Ltd.

Town of Walkerton, Ont.—3% debentures, due Oct. 15, 1950-59, $30,000, issued Oct. 3, 1949. Sold at $100.50 to Fairclough & Co. Ltd. and Bank of Montreal.

Town of Windsor, Que.—3% and 3¼% debentures, due Aug. 15, 1950-59-69, $29,000, issued Oct. 3, 1949. Sold at $98.546 to Wood, Gundy Corp. Ltd. and Candn. Bank of Commerce.

Town of Acton Vale, Que.—3% and 3¼% debentures, due Sept. 1, 1950-59-69, $55,000, issued Oct. 4, 1949. Sold at $98.132 to Dudley Dawson Ltd.

Township of Grantham, Ont.—3½% debentures, due Oct. 15, 1950-64, $97,137, issued Oct 4, 1949. Sold at $102.227 to Dominion Securities Corp. Ltd.

School Commission of Cap-Rouge, Que.—3⅛%, 3¼% and 3½% debentures, due Sept. 1, 1950-59-69, $22,500, issued Oct. 5, 1949. Sold at $99.26 to L. G. Beaubien & Co. Ltd.

Town of Gatineau, Que.—3% and 3½% debentures, due Sept. 1, 1950-59-64, $360,000, issued Oct. 5, 1949. Sold at $97.33 to J. F. Simard & Co.

Town of Goderich, Ont.—2¾%, 3%, 3¼% and 3½% debentures, due Aug. 1, 1950-54-69, $416,180, issued Oct. 7, 1949. Sold at $100.40 to Wood, Gundy & Co. Ltd. and Canadian Bank of Commerce.

School Commission of St-Eleuthere, Que.—3½% debentures, due Sept. 1, 1950-69, $45,000, issued Oct. 7, 1949. Sold privately at $100.

CORPORATE

The Thomson Company Ltd.—4% first mortgage, serial and sinking fund bonds, series A, due Nov. 15, 1950-54-64, $2,000,000, dated Nov. 15, 1949. Offered at $100 and accrued interest, to yield 4% by Wood, Gundy & Co. Ltd., Midland Securities Ltd., Gairdner & Co. Ltd., R. A. Daly Co. Ltd., Milner, Ross & Co. and Eastern Securities Co. Ltd.

Canada Bread Co.—3¼% and 4¼% first mortgage bonds, due Oct. 1, 1950-59-67, $3,250,000, issued Oct. 4, 1949. 3¼% bonds sold privately. 4¼% bonds offered at $100 by Dominion Securities Corp. Ltd. and Cochran, Murray & Co. Ltd.

Alberta Distillers, Ltd.—4½% first mortgage bonds, due May 1, 1959, 200,000 shares (no par value), issued Oct. 13, 1949. 4½% bonds are not being offered to the public. Common shares offered at $1.00 per share by Ross Whittall Ltd.

Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
♦Algoma Cent. Term. 1st mtge. D.S. & bds.	5%	1959	Dec. 31	125
♦Candn. Nat. Rly.	5%	1970	Feb. 1	103
●Cons. Pap. Corp. 1st mtge. bds.	3½%	1967	Jan. 3	101½
●L. St. John P. & P. 1st mtge. bds. ser. B	3½%	1961	Oct. 17	100
♦Thompson Co. ser. deb.	3%	'49-52	Nov. 15	101
♦Thompson Co. ser. deb.	4%	'53-57	Nov. 15	102

●$200,000. ♦778,500 ♦All o/s.

STOCKS NOT TRADED THIS WEEK

Company	Div. Rate $	Last sale	Oct. 14 Bid	Ask
[illegible]				
Lawson & Jones A	1.00	18½	17½	19½
Do. B	..	10½	10½	10½

Stocks Not Traded This Week (Continued)

Company	Div. Rate $	Last sale	Oct. 14 Bid	Ask
[illegible]				
Brazil Gold	...	.02½	.02½	.04
B.R.X. Con.	...	.06	.06	.07½
[illegible]				
Marvel	...	.05	.04½	.05
McLeod	...	.04½	..	..
Petrol Oil	●.03	.15	.14	.20
Richfield	...	.01½	.02½	.02½
Royal Crest	...	.04	.04	.06
Three Point	...	.08	.08½	.10
Turner V.	...	.12	.12	.20
Vulcan	...	.24	.20	.25
Vul. Brown	...	.13	.12½	..
Wellington	...	.04	..	..
York Oils	...	.09	.07½	.10

●Paid or payable in 1949. ‡Paid in 1948. *N. Y. funds. †Payable in 1950.

Company Meetings

1949	Company	Place
Oct. 20	Coast Brew.	Vancouver
Oct. 24	Buffadison	Toronto
Oct. 24	Kerr Lake	New York
Oct. 25	Spooner Oils	Calgary
Oct. 26	Can. Lt. & Pwr.	Montreal
Oct. 28	Cal. & Ed. Oil	Winnipeg
Nov. 15	Dist.-Seag. Corp.	Montreal
Dec. 5	Bk. of Montreal	Montreal

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

[illegible]	[illegible]	[illegible]

*Callable on or after earliest maturity shown & payable at maturity at 101. †Payable Can. or N. Y. ‡Callable at a premium.

Unlisted Stocks

(Compiled from quotations supplied by Kippen & Co., Intercity Securities Ltd., and Hamm, Garland & Co.)

	Bid	Ask		Bid	Ask
[illegible]			[illegible]		
Cuban Can. Sugar com.	5.00	6.00	Standard Fuel pfd.	34.00	38.00
Detroit Inter. Bridge	18.25	....	Do. com.	2.50	....
Dover Industries Ltd.	9.75	10.75	Sun Life Assce.	500.00	525.00
Dunlop Tire pfd.	24.75	26.00	Thayers Ltd. pfd.	55.50	....
Dupuis Freres pfd.	23.50	25.00	Do. com.	9.00	....
Empire Life Ins. 25% pd.	17.00	19.00	Third Can. Gen. Inv.	3.60	4.00
Do. 20% pd.	14.50	....	Toronto General Ins.	6.00	....
Foreign Power Co.	5.00	7.00	United Farmers Co-op.	8.00	....
Galt Brass com.	30.00	....	United Steel A pfd.	24.00	25.50
Goderich Elev. & Trans.	15.50	16.50	Victoria Trust & Svgs.	135.00	....
Great West Life	440.00	470.00	Waterloo Manufac. com.	6.00	7.50
Guardian Realty pfd.	53.00	....	Western Assurance com.	68.00	....
Guaranty Co. of N. A.	385.00	415.00	Western Grain pfd.	23.50	24.50

Significant Investors' Index Numbers

No. of Securities	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's
	10	10	4	5	10	15	10	16	12	8	16	116
*1935 to date												
High	247.7	287.9	148.7	123.7	221.9	138.5	447.0	168.5	146.2	138.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	76.4	73.5	79.3	66.7	60.2	80.0	65.2	61.1
1949: Monthly Figures:												
Jan.	234.1	257.1	96.4	75.9	214.3	115.2	294.5	143.0	108.2	132.6	119.2	114.3
Feb.	224.1	244.1	89.8	68.7	203.1	113.6	281.5	139.7	105.7	131.0	115.1	108.1
Mar.	217.5	236.7	85.9	69.5	205.9	112.0	276.1	137.4	106.4	131.0	113.7	106.4
Apr.	211.9	234.2	88.4	70.8	205.7	111.9	274.4	139.6	108.7	132.4	115.7	106.4
May	208.4	227.4	84.2	70.2	204.2	112.8	275.7	136.2	107.4	132.4	112.5	105.3
June	184.7	210.6	85.3	63.8	196.0	111.8	273.3	131.4	104.1	131.0	109.2	99.6
July	198.8	221.4	89.6	66.6	202.2	112.9	292.4	137.0	108.4	130.7	114.3	104.2
Aug.	209.5	230.6	90.2	68.8	204.6	114.6	306.7	140.0	111.2	133.3	119.5	108.2
1949: Weekly Figures:												
Sept. 1	210.7	232.2	91.6	68.4	208.4	114.2	307.5	141.0	114.0	134.1	122.2	108.1
Sept. 8	207.8	234.8	91.9	68.7	207.9	116.0	308.6	141.5	115.6	134.5	124.4	108.9
Sept. 15	212.0	239.2	93.5	69.5	208.5	116.3	316.8	143.7	116.7	135.8	125.4	110.4
Sept. 22	215.6	247.5	93.7	68.7	197.9	115.6	315.1	142.6	108.8	135.8	120.8	110.4
Sept. 29	219.2	246.6	94.2	69.2	201.3	118.0	315.2	144.4	108.8	136.7	120.8	110.5
Oct. 6	219.7	252.9	94.3	71.7	198.8	120.2	328.2	149.3	109.0	138.5	120.9	112.4
Oct. 13	217.8	250.5	95.6	75.4	207.2	120.8	331.2	150.2	112.0	138.7	122.6	114.3

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	30 Golds	10 B.M.	15 W.O.
Oct. 17	180.26	104.54	104.08	54.82
Oct. 15	181.40	105.47	105.12	55.89
Oct. 14	180.72	103.76	104.22	56.14
Oct. 13	181.66	104.05	104.52	56.20
Oct. 12	190.04	103.79	104.73	56.52
Oct. 11	188.00	103.43	103.97	54.86
Month ago	180.99	103.73	99.31	47.74
Year ago	180.48	87.29	104.24	43.56
1949 High	192.11	114.63	110.34	58.43
1949 Low	157.28	87.96	77.42	38.78

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
Oct. 17	74.2	130.2	111.6	333.80	67.24
Oct. 15	74.2	131.2	112.2	339.23	66.56
Oct. 14	74.6	130.7	112.0	337.94	66.04
Oct. 13	74.7	130.0	112.1	337.62	66.58
Oct. 12	74.0	129.2	110.8	338.65	66.56
Oct. 11	73.7	127.5	109.6	335.54	66.65
Month ago	73.9	125.3	108.1	324.11	74.40
Year ago	74.1	131.7	112.5	351.97	60.01
1949 High	74.9	132.4	112.9	343.31	74.40
1949 Low	70.0	109.3	96.3	251.34	60.17

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
Oct. 17	184.72	48.54	38.20	66.24
Oct. 15	186.36	49.33	38.36	66.88
Oct. 14	186.43	49.31	38.32	66.88
Oct. 13	186.78	49.68	38.05	66.97
Oct. 12	....	....	....	....
Oct. 11	186.74	49.77	38.02	66.98
Month ago	181.42	46.63	37.75	64.81
Year ago	185.33	60.39	35.23	68.98
1949 High	186.78	54.29	38.36	66.98
1949 Low	161.60	41.03	33.36	57.75

Unlisted Mines

(By the Broker-Dealer Assoc. of Ontario)

Approximate quotations, 4 p.m., Oct. 17, subject to confirmation and change:

	Bid	Ask		Bid	Ask
[illegible]			[illegible]		

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Public Utility Issues	Int. Rate	Due	Bid	Ask	Prev. Week Bid
[illegible]					

*Payable in United States. †Payable in Canada, U. S. or U. K. ‡Payable in Canada or U. K.

Market Comment

What stocks and bonds are doing and what prominent observers say

Market sentiment remains predominantly bullish despite steel and coal strikes. Midweek's firmer tone after Monday's easing spell further underlined the strong support under the market at the moment. There are indications now that President Truman may take action on both strike fronts if there is no change by end of this week. Although he is bound to lend a very attentive ear to the Union's story he is determined, Government spokesmen say, not to let the nation go into an economic tailspin at this time.

Although a favorable turn in the news could easily result in a resumption of constructive market activity, it is difficult to see how this can materialize over the next week or 10 days.

Brokers report a gradually growing public interest over the past two months in market investment. Most of the investment enquiries had dividend yield in mind. (The average yield of 5.92% on 112 dividend-paying stocks on the Toronto Stock Exchange looks pretty good when compared with bank interest or around a 2.8% yield on long-term bonds). This growing interest, mainly from an untapped investment source, has been one of the most optimistic market notes since war's end, brokers claim.

* * *

JAMES B. GOAD: J. L. Goad & Co. (Toronto)

We believe that there is a better basis for optimism towards an improving market at present than at any time since 1946. We feel that it is highly significant that the New York market has shown a continuing improvement in the face of such adverse news as the steel and coal strikes, general currency devaluation, and the disclosure of the Russian possession of the atom bomb.

There appears to exist a considerable latent buying power which has been awaiting a general sell-off. The failure of the sell-off to materialize seems to be bringing increased buying into the market at these levels. We think that it can be accepted that there is remarkable long-term confidence amongst people about business, and that these same people feel that it is only the question of time until we move into an even more prosperous era. This underlying confidence could be the foundation of a strong market should an upward trend become apparent.

Unfortunately, our Canadian economy still seems vulnerable to the loss of markets outside the dollar areas. It is possible that the more realistic levels of the world currencies may stimulate trade to a point where these problems disappear. However, it is still too early to judge if this will be the case.

This trade crisis, coupled with the possibility that there may be a decline in the earnings of vulnerable companies, could have a depressing effect on the stock prices of the companies concerned when their annual reports are published. Thus it perhaps might be wise for investors to delay their purchases of such stocks which might be effected in this way until after the publishing of their current year's earnings.

To summarize, we believe this market should be bought. At the present time we would endeavour to confine our purchases to industries closely allied with the American economy, or which are independent to trade with the soft currency areas.

We would particularly recommend the oil industry. Primary steel producers and industries allied with the oil and power developments also seem to be good prospects. Other stocks that we believe to be promising would include: International Utilities, Union Gas, Consolidated Smelters and Noranda. The paper stocks may sell off if the price of newsprint weakens. We would recommend the purchase of the papers after such an eventuality. Early in 1950 we would re-examine the market for companies which may be regaining their export markets. Such companies would include Atlas Steel.

* * *

J. H. LAMPREY: Yorkshire Securities (Vancouver)

Despite the continuation of international political problems in both Europe and Asia, combined with the threat to business by the steel and coal strikes in the United States, the security markets in both Canada and the United States have given a good account of themselves in recent weeks.

Probably the most realistic explanation of this action is that investors are noting that the volume of business in these countries is holding well, that certain lines which were experiencing difficulties by mid-year are now finding renewed demands for their products, that earnings for industry as a whole for 1949, while below the peak in 1948, are good and particularly so in relation to the prices for the shares of companies involved. As we pointed out in these columns some months ago, while the business and political outlook was far from clear, stock prices had dropped to a level which would appear to have discounted the opinions of the most pessimistic.

We continue to favor the newsprint issues, stocks of companies supplying the Canadian building trades and the leading Canadian oil issues, but before making major commitments would await some clarification of the current labor dispute in the United States.

* * *

CLIFTON C. CROSS (Calgary)

I am still of the opinion that there are many good oil stocks on the bargain counter at present prices which should be purchased as an investment. It is only a matter of time before pipelines for gas and oil will become an eventuality providing wider market outlets. When this time arrives, possibly the holders of producing oil stocks will then see market values that more nearly reflect the true values behind the stocks.

Possibly the situation as far as real value has been improved due to sterling devaluation, which has already been reflected by an increase in price of 25c a barrel for crude oil. In effect this means that there has been roughly a 10% increase in the value of producing companies and I cannot see that the market has reflected this increase as yet. For that reason I feel that the opportunities for sound investments in good oil stocks should be even better now than they were this spring.

Even taking into consideration that the costs of drilling may be slightly increased by reason of the fact that machinery and equipment used in drilling will be more costly than before the sterling devaluation, I feel that the over-all cost of drilling will not be greatly increased because there is a keen competition among drillers, which has brought the footage price down considerably.

* * *

BARRON'S: The Trader (New York)

The slice of personal income represented by dividends will be materially increased between now and early January by virtue of already formulated corporate policies that only a prolonged steel strike can possibly unsettle. General Motors, Standard Oil of New Jersey, Texas, International Paper, C.I.T., J. I. Case and Gillette are some representative companies, managements and directors of which are satisfied that earnings and financial conditions warrant substantially higher year-end disbursements than in 1948, or an increased regular rate.

Dividends Declared

	This payment $	Date payable	Date of record
Agnew Surpass	.15	Dec. 1	Oct. 31
Abitibi Pwr. & Pap.	.50	Jan. 1	Dec. 1
Do.	1.25	Dec. 1	Nov. 1
Aluminum pfd.	.88	Dec. 1	Nov. 2
Ang. Can. Tel. pfd.	.56¼	Nov. 1	Oct. 11
Argus Corp.	.15	Dec. 1	Oct. 31
Do. pfd.	1.12½	Dec. 1	Oct. 31
[illegible]			

Municipal Bonds

Oct. 18, 1949

	Coup. %	Matur.	Bid $	Ask $	Yld. %
Victoria	3½	'55-66	98	100	3.75
Vancouver	3¾	'69	99	101	3.68
Calgary	3½	'62	98¼	100½	3.45
Edmonton	3½	'60	98½	100½	3.45
Regina	3	'64	90½	92½	3.65
Moose Jaw	3-3½	'60	94	97	3.50
Winnipeg	2¾	'66	93½	95½	3.09
Ottawa	3	'54	101½	103½	2.23
Toronto	3¾	'72	[illegible]	96	3.00
Hamilton	3	'60	99	101	2.90
Windsor	2½	'75	72	75	4.05
Windsor	2¾	'73	76	79	4.05
Windsor	3½	'73	88	91	4.05
Montreal	3	'70	91	94	3.41
Quebec	3½	'64	98	101	3.42
Halifax	3	'66	[illegible]	96	3.31
Saint John	3¼	'63	[illegible]	102	3.34

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$19.72	$19.98	$20.58
Hogs	29.10	29.10	32.35
Copper, lb.	.17⅝	.17⅝	.23½
Sugar, raw, lb.	.0546	.0550	.0510
Coffee, lb.	.32	.31	.26¼
Hides	.25	.25	.25
Weekly Indices			
U. S. Labor	152.1	152.5	165.2
Dow Jones	129.61	128.88	141.37
Fisher's	160.2	160.3	171.7
Monthly Indices			
Retail (Sept.)†	162.3	162.8	158.9
W'sale (July)	156.6	156.3	152.2
U. S. (June)	154.4	155.7	166.2
Gt. Brit. (July)	228.8	231.7	221.9

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

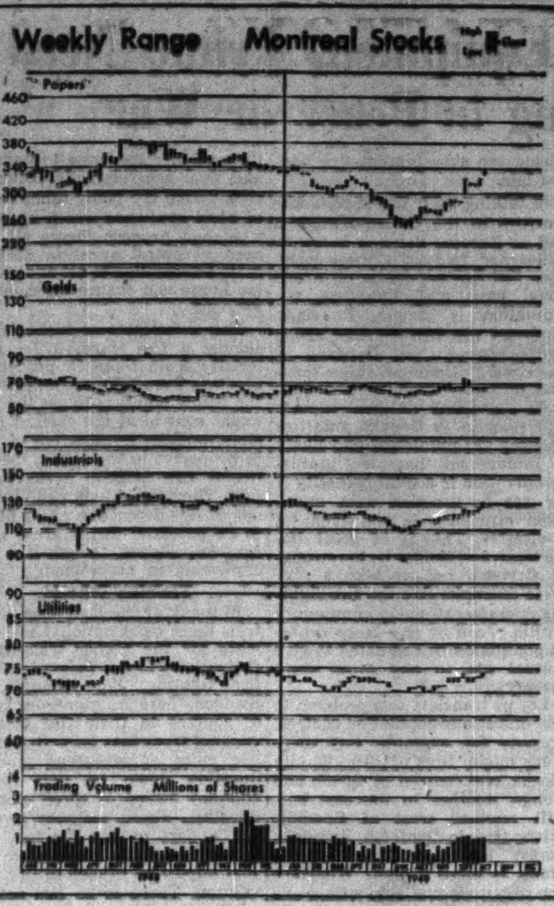
Base price of quotations is as follows: Cattle — Steers, good, up to 1,000 lb., top price, Toronto. Copper-electrolytic, New York. Coffee, No. 4 Santos, Rio Sugar 96 degrees centrifugal c/f New York.

Investment Trust

Affiliated Funds	3.85	4.17
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.75	5.20
Can. Invest. Corp.	7.75	8.75
Corporate Invest.	8.42	9.10
Commonwealth Int.	3.46	3.80
Trans-Canada	14.30	....
Do. B	....	4.45

Bond Tenders

12 noon, Oct. 20, 1949, Canada Treasury Bills, payable Jan. 20, 1950, $75,000,000, dated Oct. 21, 1949.



COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

T. H. ESTABROOKS CO. net profit for the year ended June 30, 1949, was up slightly at $111,646 ($107,029), after a special provision of $25,000 for former directors and officers and after charge of $50,355 for special inventory revaluations.

Heavy capital expenditures were made, principally on installation of additional plant and equipment at the main factories in Saint John, N.B. and Montreal. Additional warehousing, distribution, garage and office accommodation at Montreal factory is now being built at an estimated cost of $300,000.

World tea and coffee markets have continued to advance, but the company is fortunate in its associations in the primary markets, the annual report states. Sales of Red Rose Tea and Red Rose Coffee have shown a steady increase.

CONS. INCOME ACCOUNT

Years Ended June 30:	1949	1948
Net earnings	$285,229	$236,875
Less: Depreс.	125,583	80,215
Income tax	48,000	49,631
Net profit	111,646	107,029
Less: Pref. divd.	43,884	40,560
Surplus for year	67,762	66,469
Earnings per Share and Dividend Record:		
4.15% Pref.	$2.18	$2.06
Paid	1.04	0.78
Common	0.23	0.21

A stock dividend of 150,000 $5 par common shs. was issued to common shareholders on Sept. 30, 1947.

CONDENSED CONS. BALANCE SHEET

As at June 30:	1949	1948
Cash	$1,030,147	$234,091
Accts., bills, rec.	[illegible]	[illegible]
Inventories	3,378,153	4,197,336
Total curr. assets	5,268,833	5,364,196
Prep. exp.‡	62,861	54,759
Deferred assets	....	307,578
Fixed assets*	850,297	780,291
Total assets	6,181,991	6,486,819
Accts., etc., pay.	1,661,291	1,837,886
Divd. pay.	13,353	13,520
Tax pay.	21,580	42,938
Total curr. liabs.	1,696,224	1,894,344
Deferred liabs.	45,800	47,224
Reserves	785,854	807,217
Capital stock	2,533,150	2,550,000
Capital surplus	173,509	156,659
Earned surplus	947,454	951,375
*After depr. of	553,255	437,389
‡Incl. in curr. assets in co's report.		
Working capital	3,572,609	3,369,852

Insurance Co. of N. A. Wins Insurance Oscar

For the fourth time and two years in succession, the Insurance Co. of North America has won the "Oscar of Industry" award of the Financial World Annual Survey, for its 1948 annual report. The North America's report was judged "best in the property insurance business." Similar awards were won by the company for its annual reports in 1944, 1945 and 1947 with second place being taken in 1946. The trophy will be presented Oct. 31 in New York.

New Highs & Lows

During the week ended Oct. 15, 61 new highs were recorded among the general stocks on Canadian Stock Exchanges and 10 new lows. In the mining group there were 8 new highs and 12 new lows. In the western oil group there were five new highs and two new lows.

GENERAL

New Highs—1949

Abitibi Pwr. & Pap.
Argus Corp.
Auto Elec. Ser. A
Bk. of Montreal
Br. Amer. Oil
Do. pfd.
Can. Bread pfd.
Can. Cement
Can. Packers B
Can. Bk. of Comm.
Can. For. Inv.
Can. Ind.
Can. Int. Inv. Tr.
Can. Vickers
Can. Westinghouse
Cons. Paper
Dom. Foundries
Dom. Oilcloth
Dom. Stores
Economic Inv.
Fanny Farmer
Fed. Grain A
Do. pfd.
Fittings
Gair of Can.
Halifax Ins.
How. Smith Pap.
Imperial Bank
Imperial Oil
Industrial Accept.
Do. 5% conv. pfd.
Int. Paper
Do. pfd.
Kelvinator
McCabe Grain A
Molson's Brewery
Monarch Mtge.
Nat. Breweries
Nat. Hose. B
Ontario Steel
Orange Crush
Reliance Grain
St. Law Corp. 1st pf
Do. 2nd pfd.
St. Law. Pap. 2nd pfd.
Shea's Brew.
Sick's Brew.
Do. V.T.
Simpsons B
Stand. Paving
Do. pfd.
Steel of Can.
Do. pfd.
Tamblyn
Traders Fin. A
Do. B
Twin City
United Fuel B
Walker-Good.
Westeel
W'minster Paper B

New Lows—1949

B. C. Packers
Brand & Millen
Intercolonial Coal
London Hose. A
Monarch Knit.
Penmans
Riv. Silk Mills A
Scythes
Wabasso Cotton
Waterous Ltd.

MINING

New Highs—1949

Cons. Lebel
East. Sullivan
Highridge
McKenzie R. L.
Mosher L. L.
Preston E. D.
Proprietary
Sullivan C.

New Lows—1949

Ascot Met.
Buiolo
Chesterville
Gillies L.
Golden A.
Hosco
Int. Uranium
Kelore
Norlartic
Que. Yk.
Quesabe
Rochette

OILS

New Highs—1949

Calgary & Ed.
Dalhousie
General P.
Do. A
Royalite N.

New Lows—1949

Hanna
North Cont.

Agents' Association Members Write 60% Ontario Premiums

Members of the Ontario Insurance Agents' Association in 1948 were responsible for approximately $65 millions in insurance premiums, out of a total of $87,173,304 or well over 60% of the total insurance premiums written in the province that year, Carl E. Seibert, president of the association, told the annual meeting in Toronto.

By arrangement with the Ontario Superintendent of Insurance, R. B. Whitehead, new agents will be licensed only in centres of less than 5,000 population. It is provided however that part time agents in centres of 5 to 10,000 population will be allowed to continue on a part time basis for two years after the new ruling comes into effect (as at Oct. 1). If not on a full time basis at the end of the two years they must surrender their license, Mr. Seibert stated. Formerly part time agents were licensed in centres with population up to 10,000.

The association had been asked by the provincial insurance superintendent to make recommendations on any points where it was felt the statutory conditions in the standard fire insurance policy should be brought up to date. These recommendations must be submitted by Dec. 15, Mr. Seibert stated.

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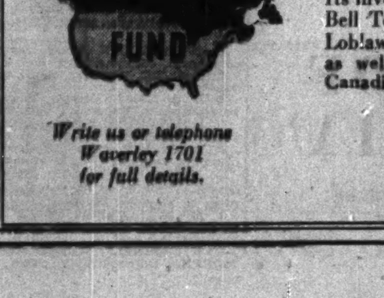

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Standardized Equipment Prime Need In Fire Fighting in Peace or War

Since he became Civil Defense Co-ordinator, about a year ago, Major-General F. F. Worthington, has been agitating for certain improvements in the whole fire-fighting organization across the country to strengthen the regular fire fighting services as well as volunteer and auxiliary organizations.

Three points he stresses are: standard fire fighting equipment, making mutual aid between communities possible; uniform methods of training fire fighters, and adequate supply of water. Many lessons can be learned from the "fire storms" during the war in Britain and Germany and preparedness for fire storms in event of enemy attack depends largely on preparedness in peacetime to meet any major catastrophe, General Worthington indicates. Here is a digest of his address recently to the Dominion Association of Fire Chiefs at Ottawa.

Civil defence and the fire defence services are closely linked, and, while civil defence is more concerned in mass fire caused by enemy action, it is, nonetheless, vitally interested in the peacetime development of fire prevention and fire fighting for, obviously, if the fire services in peace are inadequate, then much of the Civil Defence structure must fail.

We, in Canada, have been spared the experience of fire storms in our cities so we look to the U. K. for our guidance and rightly so too. Imagine my surprise when, in Sweden, I was told that (in the last war) the British never had a fire storm, and that Germany was the place to learn what a fire storm was! In other words, what the Germans did to Britain was nothing to what they got in return.

Of the many dangers which threaten, as the result of enemy action, we know that the fire hazard is very great, if experience and lessons of the past are of any value as a guide to the future.

In the last war the heaviest toll in life and property damage occurred from fire.

In a study of potential weapons which may be used in the future, there is nothing to indicate that the fire risk will be less and there is much to indicate that it will be more. Therefore, it is encumbent on us to consider the magnitude of this risk very seriously. Bear in mind that everything we do to meet a possible fire disaster in the event of war pays an immediate dividend in peace by rendering the ever present fire hazard less.

In talking with fire service authorities in the United Kingdom and in Europe, there is much to be learned. In most of these countries the fire service is on a national basis and, therefore, coordination is simple. In some countries the fire services are a component of Civil Defence. In the United Kingdom, these services have reverted to a county basis but many national aspects still remain. In Canada, our fire services are municipal and likely to remain so; therefore, mutual co-operation is a vital necessity if we are to function with maximum efficiency in the event of a disaster. This is of great importance and cannot be too strongly stressed. Let us take a concrete example. Are the fire fighting resources of every community within reach of any large centre of population co-ordinated to give mutual aid to any other community?

Let us translate this problem to any one of our population centres; Toronto for example. Say there were major fires of 20 to 30 city blocks, one centred at Queen and Yonge, another in the east end, still another west of Spadina, minor fires in Danforth, Rosedale, Forest Hill and New Toronto areas. Is there a plan? What are the resources available within one or two hours distance? Would they move in to support? Who would be in charge?

Standardization of Equipment

One of the most important lessons confronting us is the standardization of fire fighting appliances, particularly that of hose and hose connections. No place attacked can hope to have sufficient fire fighting equipment to meet the emergency and must, therefore, be dependent on mutual aid from adjacent areas. If hose couplings and other items from one fire brigade are not interchangeable with another, delays must necessarily result which increase the risk and damage materially. The British found this out almost too late; but, in Canada, we have no national standard at all although efforts are now being made to remedy this dangerous condition. Such standardization will inevitably reduce materially the cost of equipment which means more and better for your money. And, there is still another form of standardization—that of drills and usage. Is it not possible to agree on a standard manual of firemanship?—so that, in the event of fire disaster, relief crews flown from one city to another can take their place in the fire fight, using the same procedures and understanding orders without confusion.

Fire pumping equipment is another important item. The general consensus of opinion of fire authorities in Europe is that the trailer pump of sufficient capacity is the most efficient for use in emergencies as mentioned. They can be handled over debris easily; they can be put into difficult locations to draft water; they require less men to operate and they are relatively inexpensive. There are many other items of basic appliance which must be tried and proved. Above all, we need a central agent to disseminate information to act as a clearing house and ensure information gets out.

The techniques or tactics used against a fire storm differ materially from those in peacetime practice, I am told. In the former, the whole object is to get the fire under control at the earliest possible moment irrespective of loss to property; in the latter, the efficient fire brigade saves property. Therefore, study as to methods of fire defence in cities likely to be potential target areas is of first importance, though it is not applicable in peacetime.

Training Schools

In many of the European countries there exist national fire colleges for the higher training of fire officers in fire prevention and fire fighting. For example, in Sweden, there are numerous types of courses in their fire college, ranging from that for a first-class fire chief of seventeen months' duration down to that for a chimney sweep of three months' duration. There, chimney sweeps are a part of the national fire service and are responsible for that important branch of fire prevention. There is no fire college in Canada although the province of Ontario is at present establishing a provincial fire college which will function within the next few months. This is a definite step forward. Fire fighting is a profession—it is a technical one at that. Yet, in all of Canada there is not, at the moment, one real fire college functioning. True, there are many fire schools put on by local fire services as best they may with very limited assistance. The modern fire fighter must know many things beyond that of hose, ladder, ventilation and rescue. There are new and deadly elements he must face, both in peace and in war. The means for knowing these things and how to deal with them emphasizes the importance of higher training.

I wish to emphasize the necessity for fire-women. There are many duties in the fire service which they can perform as well as men. While I know there is considerable prejudice against the employment of women on risky jobs, we must remember that women are no more anxious to burn than men.

I do not think that one man or woman in a thousand has the remotest idea of what fire fighting involves. I did not, and still do not, yet I have made it my business in the last few months to learn what I can. If my own case is any criterion, the lack of knowledge is appalling.

In building up our fire services, the volunteer and auxiliary fire-man and fire-woman must not be forgotten. Not only is this important in peace but it is many times more so in the event of national emergency.

Adequate Water Supply

In building up a water curtain, it is essential to have an adequate supply. Even if the city mains are intact, will they supply a mass of pumpers? In Europe, a great deal of attention is being paid to the drafting of water and not depending on the fire mains. This is a technique requiring the study and experience of our fire fighters. If we have not sufficient water now how can we get it?

It has been said that our cities are built to burn. There is much truth in this statement. A great deal is written about fire prevention and once a year there is a fire prevention week and yet, as you fire men so well know, there are few establishments indeed, from the humblest to the greatest, that is not a fire risk, although fire prevention is ostensibly practiced throughout But only true fire prevention will be effective when every adult can put into practice the principle of basic fire fighting, which is fundamental in civil defence.

Drivers Under 25 Are Factor In Automobile Insurance Cost

Private passenger car insurance cost in Canada could be cut by $4,750,000, if drivers under 25 reduced their accident record to the general average, H. G. Kemper president Lumbermen's Mutual Casualty Co. told a gathering of the company's agents in Toronto last week.

His figure was based on a recent Lumbermen's Casualty analysis of driver studies in Ontario and the United States. The Ontario study was taken as representative of Canada.

Stressing the need for driving courses in provincially controlled secondary schools throughout the Dominion, Kemper stated that drivers under 25 have an accident record at least 50% above the general average. He also cited a recent Ontario study as revealing that drivers between 18 and 24 have 83.3% more than their share of highway fatalities.

"This shocking record costs Canadian motorists, in high insurance premiums, as much as the salaries of at least 1,500 secondary school instructors — enough instructors to teach safe driving in every provincially controlled Dominion secondary school," Kemper said.

Kemper, long an advocate of school driving courses, said that when such secondary school courses have been offered in the United States they have dramatically cut the traffic accident rate of their graduates in half.

He emphasized that this accident reduction is possible despite young drivers' lack of maturity and the bad driving examples parents set for their children. "The drastically reduced accident rate of secondary school driving course graduates clearly shows that our youngsters are among the Dominion's best drivers when we make it possible for them to be so."

The lower accident frequency among drivers over 25 was recognized at the beginning of 1949 when insurance companies quoted a special rate for cars in households where there was no driver under 25.

Staff Changes

Chartered banks announce the following staff changes:

Nova Scotia:

J. P. CROW, to be manager, Stettler, Alta.

E. J. S. DUDLEY, to be manager, Hastings & Columbia, Vancouver.

F. T. McLELLAN, to be manager, Oxford, N.S.

N. S. SHERRITT, to be assistant manager, Regina.

H. W. KELSON, to be accountant, Port Arthur, Ont.

K. H. McKEN, to be accountant, Brantford, Ont.

• • •

Montreal:

J. DOUGLAS, accountant, Kamsack, Sask., to be manager, Herbert, Sask.

W. J. WILSON, of New York, to be special representative with headquarters in New York.

R. FARRELL, manager, Herbert, Sask., to be manager, Rose Valley, Sask.

J. GILLANDERS, manager, Rose Valley, to be manager, Unity, Sask.

• • •

Dominion:

W. F. SADLER, formerly western inspector, to be assistant supervisor, western division, Winnipeg.

F. CAMPANELLI, formerly assistant manager, Regina, to be inspecting officer, western division, Winnipeg.

THOS. R. CLUFF, formerly accountant, Timmins, Ont., to be manager, Atikokan, Ont.

H. E. CRAWFORD, formerly manager, Parkdale, Toronto, to be manager, Bloor & Bathurst Sts., Toronto.

H. J. CHASE, formerly accountant, Regina, to be appointed assistant manager, that branch.

E. L. BROWN, to be accountant, Timmins, Ont.

M. M. DUNCAN, formerly accountant, Norte Dame Ave. & Sherbrook St., Winnipeg, appointed accountant, Regina.

F. H. GIBBS, to be accountant, Notre Dame Ave. & Sherbrook St., Winnipeg.

P. S. LUDWIG, to be accountant, Grenfell, Sask.

F. H. PARRISH, to be accountant, Deloraine, Man.

S. H. SCOTT, to be accountant, St. Boniface, Man. (Union Stock Yards).

D. M. SHELDRICK, appointed accountant, Bloor St. & Runnymede Rd., Toronto.

• • •

Royal:

M. J. PAGES, manager, Bayamo, Cuba, to be manager, Guantanamo, Cuba.

W. H. GIDDY, manager, Yonge & Sherwood, Toronto, to be manager, Walkerville, Ont.

A. S. HILL, manager, Walkerville, Ont., to be manager, Oshawa, Ont.

W. A. GOHL, head office, to be manager, Van Horne & Outremont, Outremont, Que.

A. R. HUESTIS, manager, Oshawa, Ont., to be manager, Chatham, Ont.

G. M. McKEOWN, manager, Van Horne & Outremont, Outremont, Que., to be manager, Port Arthur, Ont.

G. H. BAILEY, Queen Mary & Decarie, Montreal, to be accountant, Carleton Place, Ont.

F. C. McMILLAN, Morse, Sask., to be accountant, Meadow Lake, Sask.

G. S. CARD, Weyburn, Sask., to be accountant, Oxbow, Sask.

T. J. JACKMAN, Caracas, Venezuela, to be accountant, Maracaibo, Venezuela.

R. J. HALPENNY, Strathroy, Ont., to be accountant, Dunnville, Ont.

R. H. SLOAN, head office, to be accountant, Greene Ave., Westmount, Que.

G. W. SUTHERLAND, Danforth & Dawes, Toronto, to be accountant, Danforth & Leyton, Toronto.

J. M. WILLIAMSON, Barrie, Ont., to be accountant, Queensway & Rosemeade, Toronto.

R. K. RUNNELS, Metcalfe, Ont., J. C. MORPHY, Osgoode Station, Ont., retire.

BANK OF CANADA

	Oct. 12 1949 $	Oct. 5 1949 $
Liabilities		
Capital paid up	5,000,000	5,000,000
Rest. fund.	10,050,367	10,050,367
Notes in circ. .	1,303,263,764	1,296,229,027
Deposits: Dom.	85,514,656	93,995,765
Chart. Banks	546,832,963	562,421,557
Other	66,549,760	67,904,622
Total deposits .	698,897,379	724,321,944
Liabs. payable in sterling U. S. A. and foreign gold currencies:		
(a) to gov. of Can.	65,981,830	65,859,801
(b) to other .	21,788	21,788
Total	66,003,618	65,881,589
All other liabs.	28,872,367	40,619,106
Total liabs.	2,112,087,495	2,142,102,033
Assets		
Sterling & for'n	60,487,130	60,365,101
Other curr.	83,367	55,499
Total	60,570,497	60,420,600
Subsid. coin ...	223,873	202,203
Investments:		
Gov. sh. term	1,598,674,023	1,581,378,941
Oth. gov. sec.	388,289,191	407,171,283
Other sec. ..	5,516,487	5,516,488
Total invest. ..	1,992,479,701	1,994,066,712
Total share cap. at cost	25,000,000	25,000,000
Premises	3,572,235	3,571,214
All other assets	30,241,189	58,841,304
Total assets ...	2,112,087,495	2,142,102,033

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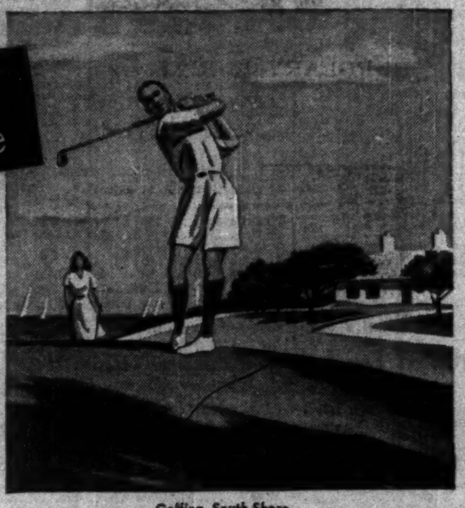

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Life Insurance Company Executives Told Higher Interest Rates Unlikely

Life insurance company executives need not plan on any rise in interest rates affecting their investments, Claude L. Benner, president of the Continental American Life Insurance Co. told the American Life Convention annual meeting at Chicago. While his remarks generally were based on condtions in the United States, they have a bearing on the situation in Canada where bond yields have been declining in recent months. Here is a digest of his address:

All of us charged with management of life insurance companies should make no long distance plans with expectation of higher interest rates than now prevail. Premiums, reserves and settlement options should all be based on a rate no higher than 3%. In my own company we are using a lower rate. In 17 years, the average net rate of interest earned by life insurance companies has decreased from 5% to a rate under 3%. As you know, this has caused reduced policy dividends, increased premium rates, lower interest rate guarantees on settlement options, strengthening of reserves on old policies, and, in brief, a set of decisions all of which resulted in making insurance cost more for the premium-paying policyholder giving less to beneficiaries of the policies.

However, although I can see no material increase in interest rates in the immediate future, the long-term economic outlook, if left to work itself out, is making for higher rates. There will be a world scarcity of capital for years ahead. Social and political trends are stimulating the propensity to consume at the expense of savings. The advent of the social welfare state and the craze for pensions make this inevitable. In fact, the commitments expressed and implied of our present administration makes inflation still the long-term danger. But when inflation and rising prices come again, as come I think they will if present trends continue, it is doubtful if rising interest rates will be permitted to correct the situation. It is more than likely that at such a time another attempt will be made at price control.

Picture Changed

A year ago many students of banking and finance thought that at long last the era of cheap money had come to an end.

Today this picture seems completely changed. Nearly all the rise in interest rates that took place during 1947-48 has been wiped out and the upward movement of prices has stopped. The Reserve banks are no longer compelled to support the government bond market but have actually reduced their holdings and are even refinancing maturing obligations at lower interest rates.

What has caused this sudden change in the money market? Is it likely to be permanent? Are we about to enter another era of declining rates? Or is the change merely a brief interlude in the long upward trend that was so confidently expected a year ago?

The interest rate today is not the result of the forces of supply and demand for savings working out in a free money market. The old classical Economist's idea that one could not borrow what someone else had not saved is no longer valid. Today our monetary authorities know how to manipulate our banking system in ways never dreamed of thirty years ago. Central bank action can make loanable funds cheap and materially increase the supply of money without the public hardly becoming aware of it.

It probably is little exaggeration to state that never in our country's history, certainly never in peacetime, has the money been subject to so many arbitrary controls as it has in the recent past. The Federal Reserve and the Treasury have all the powers they need for this purpose right now.

Goal of Cheaper Money

Since last June 28, when the Federal Reserve Open Market Committee after consultation with the Treasury, announced that there was going to be a change in the credit policy, there has been no doubt toward what goal they were working. It was cheaper money.

Let me reiterate that the present U. S. administration is determined that the money market will be controlled and managed during the days ahead. It will not be a free market. In fact, in any discussion of interest rates today it must always be kept in mind that they are controlled by some government agency. They are not determined by the free play of the forces of supply and demand. This is the fact whether it is the rate on long-term bonds or on real estate mortgages. The agency controlling the rate on bonds is the Federal Reserve banks. In the face of rising prices, last year these institutions purchased nearly $12 billions of government bonds to keep their prices from going below par although such action was definitely inflationary.

In the case of mortgage loans, the level of interest rates has been more or less arbitrarily established by the Veterans and the Federal Housing Commission . . . . It can be taken for granted that the present administration is going to want to keep interest rates low as long as it can.

There are two reasons why the Government may want even lower interest rates. (1) Because they think lower interest rates will stimulate business activity; (2) Because the Government is now running a deficit and, of course, lower interest rates will make it easier and cheaper for the Treasury to finance the deficit.

Increase Money Supply

Without attempting to explain how it works, it is a fact that such purchases by the Federal Reserve banks tend to increase the money supply of the nation. Other things being equal, an increase in money supply tends to make prices go up. It can be definitely and categorically stated, therefore, that the limits to which the Government can control interest rates will depend upon the degree to which it is willing to increase the money supply of the nation and, consequently, endanger the price level. In other words, the danger of inflation is what the Government runs when it supports the bond market at an interest rate lower than that which would be established by a free market.

The advocates of low interest rates from the inception of our cheap money policy in 1932 have always assumed that the burden of low interest rates was mainly felt by the wealthy classes and somehow or other were an aid to the poor. One of them told me in discussing this question, "The rich have the money, don't they? The poor borrow it. Is it not obvious that this reduces the burden of the poor at the expense of the rich?" Nothing could be farther from the truth.

This is shown clearly when one studies the impact of low interest rates on the cost of life insurance. The ownership of life insurance is not centred in the rich. The average policy, even excluding industrial life insurance is not large and the billions of life insurance in force in this country is owned by the rank and file of our average ordinary citizens.

Recently, we had our actuaries prepare the net costs for a term of twenty years on an ordinary life insurance policy issued at age 35, based on the premium and dividend scales in force in 1929 and those currently in force in New York State . . . . We found the cost of insurance on account of the reduced interest rate alone, had risen 21%.

But this is not the whole story. If the insured wants to provide the same monthly income for his beneficiary, he must now carry more insurance than he did in 1929 because of the lower interest rate that the insurance companies are able to pay on money left with them. . . . The cost of providing the same number of dollars of income has increased 59%. To provide the same quantity of food, clothing and shelter the insured must carry about 70% more insurance and at a 59% higher cost.

Substantially, all of this increase in cost is due to lower interest rates. Although there has been a considerable improvement in mortality during this period, the net effect of such improved mortality is quite small; for it operates in the direction of reducing the cost before the death of the insured and then in the direction of increasing the cost after his death because of the greater longevity of the beneficiary as well as of the insured. The 1948 Life Insurance Fact Book, published by the Institute of Life Insurance, shows that expenses over this period had increased by only 3 per cent of the premium and interest income; hence little of this increase in cost is due to higher expense rates.

Rise Unlikely

Bearing in mind that the money will continue to be controlled by those who believe in cheap money, any material change in interest rates on the up side is very unlikely. Do not plan on it. When one considers with what reluctance our monetary authorities permitted interest rates to rise during the past two and one-half years, when the demand for new funds for business investment far exceeded the supply of savings, you can be certain that these authorities will not do anything to make interest rates go up if the demand for business investment should decline. And there probably will be some decline in business investment during 1950. It is with regret, therefore, that I feel compelled to tell you that barring such increased armament expenditures as may call for deficits large enough to put the forces of inflation to work, there is little or no chance of an upward movement in the interest rate for the coming year.

Moreover, if the business pattern for the months immediately ahead is one of continuing readjustment downward then interest rates will tend to move downward.

Deficit Financing Supporters

Moreover, I believe that if a situation should come where there is considerable unemployment, I further believe the monetary authorities will take further positive steps to make money cheaper in hope of stimulating private lending and investing. Those who believe in deficit financing still seem to be in power.

The outlook for the interest rate, therefore, depends upon the outlook for business and the movement of prices. If in an inflationary period such as we had in 1947-48 the then prevailing structure of interest rates could be maintained, what likelihood is there in the present situation that they will be permitted to go higher? Is it not almost a certainty that if prices continue their recent decline, if unemployment should increase and the rate of business activity slow down, interest rates would also decline.

$16,791 Claimed By Car Victims

From Our Own Correspondent

Winnipeg—Six claims totaling $16,791 have been established in the courts and paid from the Unsatisfied Judgment Fund set up under Manitoba's Highway Safety Responsibility law which came into effect, December 1, 1945.

Claims paid were to satisfy judgments obtained by persons claiming damages for injuries sustained in highway accidents. The fund is created by assessing motorists a fee of $1 a year. Collections under it have amounted to $172,700.

Three of the claims paid were to persons who obtained damages for injuries sustained against defendents not financially responsible. The individual judgments were $3,855, $782, and $8,738. The other three were paid to victims of hit-and-run drivers. Under a 1947 amendment to the Highway Traffic Act they were permitted to sue the Registrar of Motor Vehicles as a nominal defendant and having established a claim in the courts were paid from the fund. Judgments granted were $1,298, $4,512, and $2,927.

Up to the end of September this year 12,101 motor vehicle drivers have been involved in accidents. Only 973 or eight per cent were unable to furnish proof of financial responsibility. All the others carried insurance. In 1945 when the Act came into effect 73 per cent of drivers carried no insurance.

1792 1949

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HE THAT FINDS DISCONTENTMENT IN ONE PLACE IS NOT LIKELY TO FIND HAPPINESS IN ANOTHER

Some men are like the unhappy beast in the fable. They fail to see the good in our democratic system of government but complain bitterly of its ills. They are prepared to sacrifice the benefits in hand for something unknown — untried — unproved.

Unfortunately, the revolutionary ideas of this type of discontented person are not confined to his own life—he strives to involve his neighbours as well. But they, conscious of the many blessings to be found under free enterprise, regard with indifference the "crackpot" theories of the reformer and do nothing about it.

Thus irresponsible reform theories get a footing and democracy is seriously undermined. Surely the cause of democracy is worthy of positive action by refuting the theoretical advantages claimed by the proponents of a regimented state-control system.

Let us take heed of the fable of the ass and think well before choosing a new master — because, alas, once the course is taken there is no turning back.

* * *

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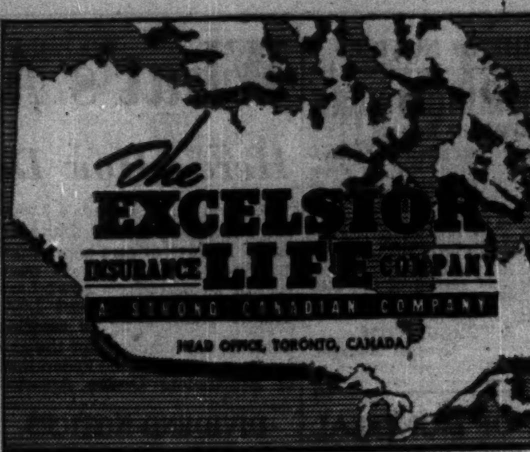

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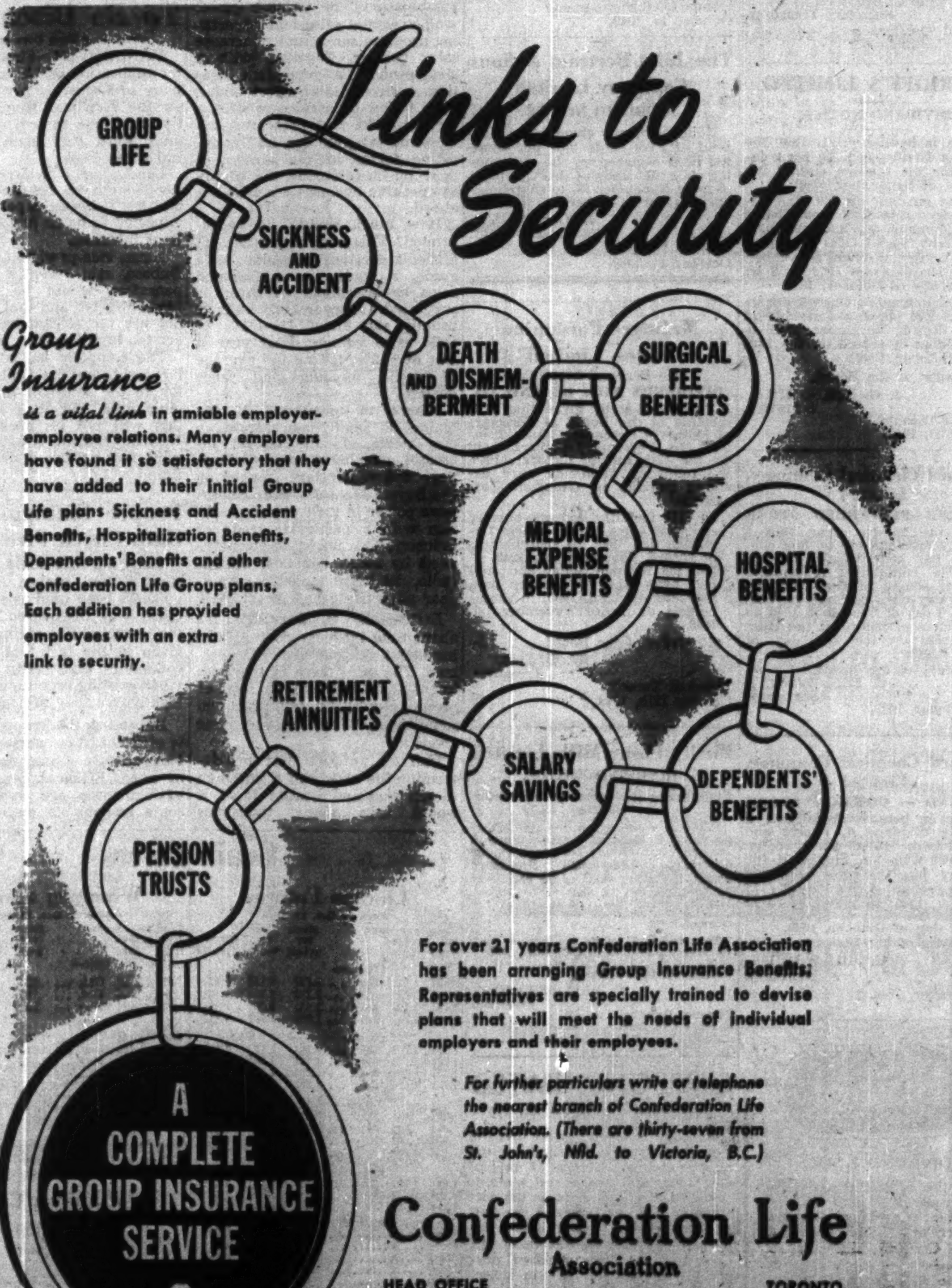
Automobile and General Casualty Insurance
Lumbermens
Agency Inquiries Invited
Fire and Allied Lines Written in Associated Companies
"THE SAFETY-MINDED COMPANY"

Links to Security



Group Insurance is a vital link in amiable employer-employee relations. Many employers have found it so satisfactory that they have added to their initial Group Life plans Sickness and Accident Benefits, Hospitalization Benefits, Dependents' Benefits and other Confederation Life Group plans. Each addition has provided employees with an extra link to security.

For over 21 years Confederation Life Association has been arranging Group Insurance Benefits; Representatives are specially trained to devise plans that will meet the needs of individual employers and their employees.

For further particulars write or telephone the nearest branch of Confederation Life Association. (There are thirty-seven from St. John's, Nfld. to Victoria, B.C.)

Confederation Life
Association
HEAD OFFICE TORONTO

DIVIDEND NOTICES

THE DOMINION BANK

DIVIDEND NO. 268

Notice is hereby given that a dividend of twenty-five cents per share upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st October, 1949. The dividend will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the first day of November, 1949, to shareholders of record of the 15th October, 1949.

By Order of the Board.
A. C. ASHFORTH,
General Manager.

Toronto, 8th September, 1949.

BANK OF MONTREAL

ESTABLISHED 1817
DIVIDEND NO. 346

NOTICE is hereby given that a DIVIDEND of TWENTY CENTS per share upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after THURSDAY, the FIRST day of DECEMBER next, to Shareholders of record at close of business on 31st October, 1949.

The Annual General Meeting of the Shareholders will be held at the Head Office, 119 St. James Street West, Montreal, on MONDAY, the FIFTH day of DECEMBER next.

The chair to be taken at 11 o'clock A.M.

By Order of the Board.
GORDON R. BALL,
General Manager.

Montreal, 11th October, 1949.

CANADA FOILS, LIMITED

DIVIDEND NOTICE

Class "A" Shares of No Par Value

Notice is hereby given that the regular quarterly dividend of fifteen cents (15c) per share (being at the rate of 60c per share per annum) will be paid on the 15th day of November, 1949, to shareholders of record at the close of business on 28th day of October, 1949.

By Order of the Board.
W. A. RENNIE,
Secretary.

Toronto, Ontario,
October 12th, 1949.

CANADA FOILS, LIMITED

DIVIDEND NOTICE

Common Shares of No Par Value

Notice is hereby given that a dividend of ten cents (10c) on the Common shares of No par value will be paid on the 15th day of December to shareholders of record at the close of business on November 25th, 1949.

By Order of the Board.
W. A. RENNIE,
Secretary.

Toronto, Ontario,
October 12th, 1949.

Commonwealth International Corporation Limited

Sixty-third Consecutive Dividend

Notice is hereby given a dividend of six cents (.06) per share has been declared on the Common Stock of the Company—payable Nov. 15, 1949, to shareholders of record Nov. 1st, 1949.

By Order of the Board,
(Signed)
J. C. BROWN,
Secretary-Treasurer.

Montreal, Quebec,
October 7, 1949.

SHIRRIFF'S LIMITED

DIVIDEND NOTICE

Notice is hereby given that the following Dividends have been declared for the quarter ending the 30th day of September, 1949.

On the outstanding 5% Cumulative Redeemable Preferred Shares of the Company, one and one-quarter per cent (1¼%) (25c) per share, payable on the 1st day of November, 1949, to shareholders of record on the 14th day of October, 1949.

On the outstanding Class A Shares six cents (6c) per share, payable on the 1st day of November, 1949, to shareholders of record on the 14th day of October, 1949.

By Order of the Board.
J. G. McKNIGHT,
Secretary.

Dated at Toronto,
October 11, 1949.

Standard Chemical Company, Limited

DIVIDEND—PREFERRED STOCK

Notice is hereby given that a quarterly dividend of one and one-quarter per cent (1¼%) on the issued 5% cumulative redeemable preferred shares of the Company has this day been declared payable on the 1st day of December, 1949, to shareholders of record at the close of business on the 31st day of October, 1949.

By Order of the Board.
G. MILLWARD,
Secretary.

11th October, 1949.

Standard Chemical Company, Limited

DIVIDEND — COMMON STOCK

Notice is hereby given that a quarterly dividend of twelve and one-half cents (12½c) per share on the issued Common Shares of the Company has this day been declared payable on the 1st day of December, 1949, to shareholders of record at the close of business on the 31st day of October, 1949.

By Order of the Board.
G. MILLWARD,
Secretary.

11th October, 1949.

Abitibi

POWER & PAPER COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that dividends have been declared on the outstanding Common Shares of Abitibi Power & Paper Company, Limited, as set out below:

25c. per share payable December 1st to shareholders of record at the close of business November 1st.

50c. per share payable January 1st to shareholders of record at the close of business December 1st.

By Order of the Board
L. B. Popham, Secretary.
Toronto, Ontario, October 8, 1949.

What's Ahead for Automobile Sales?

Here's How Dealers See Used Car, Parking, Other Problems

Between them, Canada's 3,000-odd automobile dealers sold $421 millions worth of cars and trucks last year. But how about next year or 10 years from now? Last week in Montreal, almost 1,000 dealers, representing 80 associations, met in Montreal for the annual convention of the Federation of Automobile Dealer Associations. Most of the talk was not about the rosy past and present but rather about the future; changing conditions from a seller's market to a buyer's; the problem of used cars; taxes; advertising; salesmen; traffic congestion. Following are digests of speeches on some subjects discussed:

Changing conditions: Howard B. Moore, Federation Managing Director: I detect very positive indications in the approach of winter in the profit area. I am not a prophet of gloom, but there is going to be a substantial amount of weeding out and failure as competitive pressures become greater. Examine inventories, pay particular attention to purchasing. Otherwise you are going to find yourself in a year or so with a big inventory of obsolete parts. On used cars: speedy turnover at minimum loss will be vital as competition intensifies. My suggestion: co-operative reconditioning, where one set of many kinds of recondition equipment would serve the needs of several dealers.

Used cars—Ben Sadowski, National Motors, Toronto: A new era in used car merchandising is in the offing, if not already here. In recent months the trend of used cars prices has been downward. Trucks were the first to come into focus. Deals on a highly unprofitable business are now being made: high appraisals ridiculous discounts, ranging from 3%-15%; unheard-of long-term financing, even up to three years. Is it not natural to assume that the same will apply to car sales when the pressure is on?

To face the future, dealers might consider co-operative reconditioning to reduce used car overhead (see above). There are farm and merchandising co-ops. Why not automobile reconditioning co-ops? There could be one for each major make of car. We have experimented with this plan. Our findings warrant our assumption that costs can be lowered.

In the last six or seven years, few new-car dealers have been directly engaged in competitive used car selling; they've been too busy selling new cars. But don't be smug about used cars. They could be the difference between success and failure. This is the time to look around. Is your equipment up-to-date? Have you adequate personnel? This is a good time to select your salesmen. How are your finances? Have you adequate liquid resources?

Advertising—J. A. Hearn, Toronto: It has been proven time and time again that even in the midst of a declining market, a combination of well-planned, well-executed sales and advertising program can actually increase sales volume. Together with a good product, a convenient location, a strong sales effort and a good follow-up service contact, a well-planned and presented advertising program can be the deciding factor in the success of your business during the highly competitive business era that lies ahead.

How much should be appropriated? This is an important yet difficult decision to make. As a guide, a review of anticipated sales against fixed overhead is suggested. Prewar ad budgets usually ran about 1%-1½% of total sales volume. Last year it was over 2%, taking the average of small, medium and large dealers.

Where to advertise? If the budget is small, concentrate on one media. As the budget increases, develop a variety of appeal and a constant impact on the buyer: Monthly trade papers have power in their close association with a particular trade or industry. This might be strengthened by extra contacts; dailies, radio, national magazines, outdoor advertising and direct mail.

Selling—R. B. Perrault: It's about time business started talking about aptitude tests for salesmen. The sales force of this continent is made up of all sorts of people, some good, some fair and some poor. What can be done about it?

Can an aptitude test pre-determine the ability of a salesman to sell cars and trucks? If so, it would save many thousands

STANLEY S. RAFUSE

has been elected president of the Federation of Automobile Dealers' Associations. He is owner of Rafuse Motors Ltd., Bridgewater, N.S.

training men who turn out to be failures. We calculate that $1,800 goes down the drain before we find out.

Impressed with tests in the United States, we took a whirl in our own dealership. We began three years ago. With certain reservations, some general observations can be made from a recap: those not fully recommended fell by the wayside for some reason or other. Yet two from the recommended class are now sales managers in other dealerships and a third holds an executive post.

Conclusions: If you use a scientific system you are more likely to have a better and stronger sales force than if you rely on your own personal interviews.

Taxes—C. R. Howell of Toronto: In common with practically all retailers, the motor car industry has a sales tax of 8% at the manufacturers' level and an additional 10% Excise tax on passenger cars. Despite rumors which recur at Budget time, there does not seem to be very much likelihood of these being repealed or even reduced.

Judging from statements of Finance Minister Abbott, both sales and excise taxes are going to be treated as continuing source of revenue at least until some economic conditions dictate otherwise.

Town Planning—George Bear: Because we sell automobiles, town planning is a real and pressing concern of ours. In U. S. cities of 100,000-500,000 population, "traffic" was rated the No. 1 living problem. In Canada in cities of the same size, it runs a close second to housing.

Every day 94,999 motor vehicles go into the Toronto downtown area. Yet the city has off-street parking for only 16,500 cars—less than 10 years ago. Today Great Toronto has about 210,000 autos. If the present trend continues, there will be 300,000 by 1958 and 168,000 will be going downtown daily. The experts say the trend is toward a complete tie-up. It differs only in degree in Montreal and most middle- and small-size communities.

Because auto dealers sell personal transportation, there is no question of their interest in the traffic side of planning. Unless something is done auto dealers are going to bump into a ceiling on sales, imposed solely by the difficult conditions under which their products must operate.

In finding a solution, dealers must act as a group as manufacturers have in the U. S.—organize to help the communities in their traffic plans.

DIVIDEND NOTICES

Acme Glove Works Limited

DIVIDEND NOTICE

A dividend of Fifty Cents (50c.) per share has been declared on the Cumulative Preferred Shares of Capital Stock of this Company, to be paid on the first day of December, 1949, to holders of such shares of record on the share records of the Company at the close of business on the sixteenth day of November, 1949.

By Order of the Board.
C. H. DAWSON,
Secretary.

Montreal.
October 17th, 1949.

MacKINNON STRUCTURAL STEEL CO. LIMITED

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of one and one-quarter per cent (1¼%) has been declared on the 5% Cumulative Sinking Fund Redeemable Preferred Stock of MacKinnon Structural Steel Co. Limited, payable December 15, 1949, to shareholders of record November 30, 1949.

By Order of the Board of Directors.
J. G. SCORER,
Secretary.

Montreal, October 14, 1949.

Dupuis Freres, Limitee

Preferred Dividend Notice No. 13

Notice is hereby given that a dividend of Thirty cents (0.30) per share, being at the rate of 4.80% per annum, has been declared on the $25.00 par value Preferred Stock of the Company for the three-month period ending October 31st, 1949, and payable on November 15th, 1949, to shareholders on record as at October 31st, 1949.

By Order of the Board.
ROLAND CHAGNON,
Secretary-Treasurer.

October 15th, 1949.

The John Bertram & Sons Company Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of Twenty-five cents (25c) per share has been declared on the outstanding class "A" stock of this Company payable November 15, to shareholders of record October 31, 1949.

J. W. McNAB,
Secretary.

Dundas, Ontario.
October 14, 1949.

The John Bertram & Sons Company Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of Five cents (5c) per share has been declared on the outstanding class "B" stock of this Company payable November 15, to shareholders of record October 31, 1949.

J. W. McNAB,
Secretary.

Dundas, Ontario.
October 14, 1949.

McIntyre Porcupine Mines, Limited

(No Personal Liability)

DIVIDENDS NOS. 134 AND 135

Notice is hereby given that at a meeting of the Board of Directors of McIntyre Porcupine Mines, Limited (No Personal Liability), held on the 12th day of October, 1949, the following dividends were declared payable in Canadian Currency:—

No. 134 for fifty and one-quarter cents (50¼c) a share payable December 1st, 1949, to shareholders of record November 1st, 1949.

No. 135 for one dollar and one-half cent ($1.00½) a share payable January 3rd, 1950, to shareholders of record November 1st, 1949.

By Order of the Board.
W. B. DIX,
Treasurer.

Dated at Toronto,
October 12th, 1949.

Purity Flour Mills Limited

DIVIDEND NOTICE

Cumulative Redeemable Preference Shares

Notice is hereby given that the regular quarterly dividend of eighty-seven and one-half cents (87½c.) per share, on the Cumulative Redeemable Preference Shares of the par value of $40 each, will be paid on the 1st day of November, 1949, to Shareholders of record at the close of business on the 14th day of October, 1949.

This dividend covers the period from 1st August, 1949 to 31st October, 1949.

By Order of the Board,
A. H. DENOON,
Secretary.

Toronto, Ontario,
October 13th, 1949.

SIMPSONS, LIMITED

Preferred Dividend No. 19

NOTICE is hereby given that the regular quarterly Dividend for the quarter ending December 15, 1949, of One dollar and twelve and one-half cents ($1.12½) per share on the outstanding paid-up Four and one-half per cent (4½%) Cumulative Redeemable Preferred Shares of the Company has been declared payable December 15, 1949, to shareholders of record as at the close of business on November 15, 1949.

The transfer books will not be closed.

By Order of the Board.
FRANK HAY,
Secretary and Treasurer.
Toronto, October 14, 1949.

Federal Grain Minority Group Shares Bought

From Our Own Correspondent

WINNIPEG — The lawsuit against Federal Grain Co., started April 1, 1948, by a minority group of holders of the company's Class "B" common shares has been dismissed by consent of plaintiff and the stockholders associated with him according to an announcement made Oct. 13.

The shares held by the group were bought at $20 a share by Melady Sellers & Co., "in which company I am interested," Federal's President H. E. Sellers stated. The purchase "did not involve discussion return and cancellation of 20,229 Class B shares" he told The Post.

Directors have not considered a reorganization plan to settle preferred arrears, Mr. Sellers also told The Post in reply to another question.

The lawsuit was brought by Edward E. Glasgow on behalf of himself and certain other shareholders, some of whom were in Toronto. Their holdings, turned over at $20 a share, amounted to 8,453 shares.

The action attacked the right of a subsidiary of the Federal Grain Co. to sell 20,229 "B" common shares of the company. The sale was made in November, 1946, just before the company's annual meeting, to Wood Gundy & Co. and to the Royal Securities Corp. The writ issued asked that the sale be set aside and also questioned the price at which they were sold, $15 a share.

The transaction has precipitated spirited controversies at the last three annual meetings of the company and on each occasion the minority group has voted against re-election of the directors. In the company's capital set-up the Class "B" common shares were the only ones carrying voting privileges so long as dividends on the preferred shares were not in arrears so that the shares sold represented control of the company under normal circumstances. At the time the action was started and for several years before the preferred share dividends were in arrears and as a result carried the power to vote at company meetings.

Negotiations for settlement have been going on since early this year. When the settlement was completed H. E. Sellers, president of Federal Grain Co. issued a statement confirming that the shares held by Mr. Glasgow and his associates had been purchased by Melady Sellers & Co. a company in which he was interested. Neither Wood Gundy & Co. nor Royal Securities were interested in the purchase. Some shares had been purchased from other holders earlier this year, The Post understands.

"The price paid for the shares of Mr. Glasgow and his associates was $20 a share," Mr. Sellers said. Since November, 1946, dividend arrears on preferred shares of Federal Grain Ltd. have been reduced by $24.25 per share. This, together with funded debt reduction, resulted in an increase in equity value of the common shares of considerably more than $5 a share.

"The price obtained for the shares sold in 1946 was a proper one. The recent acquisition of shares does not make any change in voting control.

"Dismissal of the action, now settled, should enable officers and directors of the company to continue the policies they believe to be in interest of the company and its shareholders without friction.

"While the financial position of Federal Grain Ltd. is good and is improving, preferred shares of the company are still substantially in arrears. Even with continuance of good conditions, it will undoubtedly take a long time for the position of the company to so improve as to warrant the consideration of payment of any dividend on the common stock of the company."

B. C. River Plan To Be Discussed

From Our Own Correspondent

VANCOUVER—First hearings on application of Aluminum Company of Canada for water rights on the Nechako River draining the vast lake system of Tweedsmuir Park will open in Burns Lake this week.

Land-owners who would be flooded out by the development, and the fisheries department, are expected to be on hand to protect their interests.

Alcan vice-president, McNeeley Dubose, said recently that compensation would be given for lands affected and that salmon do not use the stream because falls are too high for them to climb.

The company has also applied for rights on the Chilco system, far to the south of the Tweedsmuir area, but it is understood this will not be pressed if the Nechako scheme is approved and solid footing for a dam can be found.

Proper Extinguishers Help Check Fire Loss

Many big fires could have been stopped had proper fire extinguishers been used as soon as the blaze was discovered. Proof of the worth of fire extinguishers is given in the fact that insurance companies give credit for them when quoting premiums on buildings where they are installed.

But unless the fire extinguisher is efficient, it is worse than useless, because it may fail in time of need. Efficient types of fire extinguishers are approved by some responsible authority.

Grain Prices

Chicago Futures

Week to Oct. 17, 1949

Crop year from July 1, 1949 High	Low		High for week	Low for week	Close Oct. 17
		Wheat—			
2.16¼	1.81	Dec. ...	2.13¼	2.11¼	2.12¼
2.15¼	1.86	Mar. ...	2.13⅜	2.11¼	2.12¼
2.10	1.19¼	May ...	2.08¼	2.06⅜	2.07¼
1.93⅜	1.84	July ...	1.92¼	1.89⅜	1.91¼
		Corn—			
1.36¼	1.00¼	Dec. ...	1.18⅞	1.15	1.15¼
1.22¼	1.13¼	Mar. ...	1.21¼	1.18¼	1.18⅜
1.23⅜	1.15⅜	May ...	1.22⅞	1.19⅜	1.19⅞
1.23¼	1.19⅜	July ...	1.22⅞	1.19⅜	1.19¼
		Oats—			
.72¼	.54¼	Dec. ...	.68¼	.67¼	.68
.67⅜	.62⅞	Mar. ...	.66	.66	.66
.65⅜	.59⅜	May ...	.63⅜	.62⅞	.63¼
.56¼	.56¼	July ...	.57¼	.57	.57¼
		Rye—			
1.63	1.30¼	Dec. ...	1.50	1.45¼	1.45¼
1.59¼	1.45¼	May ...	1.54	1.51	1.51
1.51¼	1.39	July ...	1.51¼	1.48¼	1.48¼
		Soybeans—			
Nov.		....	2.35¼	2.28	2.28
Dec.		....	2.34⅞	2.27¼	2.27¼
Mar.		....	2.33⅜	2.26	2.26¼
May		....	2.31	2.24¼	2.24¼
July		....	2.27¼	2.21¼	2.21¼

Chicago Cash

	For Week Oct. 17 High	Low	Prev. Week High	Low
Corn—				
2 Yel.	1.32¼	1.19¼	1.38¼	1.30¼
Oats—				
1 H. Wh.	.72¼	.68¼	.72	.68⅜

Winnipeg Futures

Week to Oct. 17, 1949

Crop year from July 1, 1949 High	Low		High for week	Low for week	Close Oct. 17
		Oats—			
.81	.72¼	Oct. ...	.81	.76⅜	.80⅜
.79¼	.69⅜	Dec. ...	.79⅜	.77¼	.79
.80	.69⅜	May ...	.80	.78	.79¼
		Barley—			
1.48	1.15¼	Oct. ...	1.48	1.37	1.47⅜
1.41⅞	1.10¼	Dec. ...	1.41⅞	1.35	1.41⅜
1.36⅜	1.09¼	May ...	1.38⅜	1.33⅜	1.38⅜
		Rye—			
1.60¼	1.28	Oct. ...	1.60¼	1.56¼	1.58¼
1.58⅜	1.30	Dec. ...	1.58⅜	1.54¼	1.56⅜
1.61⅜	1.32¼	May ...	1.61⅜	1.58¼	1.60¼
		Flax—			
3.76¼	3.33	Oct. ...	3.76¼	3.72¼	3.76¼
3.73	3.30	Dec. ...	3.68	3.64¼	3.68
3.62	3.62	May ...	3.62	3.62	3.62

Winnipeg Cash

	For Week Oct. 17 High	Low	Prev. Week High	Low
Oats				
2 C. W.	.80⅜	.77¼	.78¼	.77⅜
3 C. W.	.78⅜	.75	.76¼	.75¼
Barley				
1 Feed	1.43⅜	1.33⅜	1.36	1.33⅜
2 Feed	1.41⅜	1.32¼	1.34¼	1.32¼
1 Malt	1.61⅜	1.51⅜	1.54	1.51⅜
Rye				
1 C. W.	1.58⅜	1.51⅜	1.56	1.48¼
Flax				
1 C. W.	3.76	3.67¼	3.76	3.71⅜

HARRY K. COLLINGE

has been appointed general manager, Canada Paper Co., Montreal.

Nfld. Claims Rates Break Union Terms

ST. JOHN'S — Misapplication of the Maritime Freight Rates Act on Newfoundland Railway will cost the province $4.5 millions by the end of the year it is seen claimed here.

Premier Smallwood informed the legislature that under terms of union island freight rates were to be similar to those in other Maritime provinces but the rates were not specified and when the CNR took over the railway they drew up a schedule not in line with union terms. "As a result," said Mr. Smallwood, "we have decided to submit the question to the Board of Transport Commissioners for adjudication."

The difference is costing Newfoundland 20% more for freight than the Maritimes, it is said, and this has had a marked bearing on prices.

B.C.'s Population Reaches 1,085,608

From Our Own Correspondent

VANCOUVER — Since 1941 B. C.'s population has increased 36.7% to 1,085,608, according to statistical studies based on school enrollment and other indicators.

Vancouver proper has an estimated population of 377,200, up 101,201 over 1941, last census year. This is one third the province's total. The figures include the University of B. C. area, administered by the Provincial Government.

Greater Victoria area is up 39.8% at 102,900. Other gains: Richmond Municipality (adjoining Vancouver on the south) up 112% at 22,000; Hope (at southern end of Fraser River Canyon), up 152% at 4,600; Chilliwack city and district up 48% at 18,300; Langley and district up 61% at 12,500; Surrey up 105% at 30,500.

Similar increases in population have occurred in the Okanagan Valley. Kelowna is up 95% at 10,000, Penticton up 64% at 11,500 and Vernon up 111% at 11,000.

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Specialized guidance and advice. Formerly with Reconstruction and National Revenue depts. at Ottawa. 79 Queen St. E., Toronto. PL. 2040.
P. J. WARDLE

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VANCOUVER · DULUTH · MINNEAPOLIS

Cry For Cargo at Lakehead As Wheat Piles Up in East

From Our Own Correspondent

WINNIPEG — A scarcity of ocean shipments, combined with a plethora of lake tonnage, is responsible for Canadian wheat piling up in eastern elevators while vessels at the Lakehead remain idle because grain is not available and could not be handled if it was due to lack of space in the east.

The scarcity of ocean space is due to the combined effects of British shipping and monetary policy. Even before devaluation U. K. quite naturally endeavored to have wheat shipments moved in British bottoms. Since devaluation, which brought about a decline in effective shipping rates, ships of other countries have found themselves without cargo because they cannot meet the new rates. That difficulty is not confined to Canadian ports, but has also appeared at U. S. ports while British ships carrying freight in terms of sterling are everywhere in demand. There has thus been a scarcity of ocean tonnage to move wheat from Canadian Atlantic ports and Vancouver. Elevators at Bay ports, at Kingston, Prescott, and Montreal have in consequence remained filled. To ease the pressure the Canadian Wheat Board has recently been moving wheat from Bay ports to Saint John where it will remain until navigation closes on the St. Lawrence. At the same time, wheat is being railed from Prescott to Quebec to fill up elevators there.

The shipping situation and abundance of grain seeking space in eastern elevators, is due to different circumstances. A decline in pulp shipments on the lakes has resulted in Canadian vessels seeking grain cargos. Then the steel strike in the U. S. throws the ore carriers out of employment. It is customary for these vessels to seek grain cargos late in the shipping season. Many of them have gone to Lakehead to lie at anchor there in the hope that grain charters will develop.

So far, excess of lake shipping has not resulted in decline in freight rates. Nor is grain being loaded on vessels for winter storage, as may happen later towards close of navigation. Ore carriers do not want such business now, they are being held available for their regular business should the steel strike end.

Congestion in eastern elevators has been increased by import of corn from the U. S. which is now competitive with western barley. The Canadian Wheat Board has exercised its control of elevators to limit the amount of space thus tied up, and to prevent grain in transit for export from south of the border from occupying space in Canada.

Assets of Guelph Financial Institutions Purchased by Huron & Erie and Canada Trust

Col. Ibbotson Leonard, D.S.O. (left) chairman of the Boards and Morley Aylsworth, president and general manager of The Huron and Erie Mortgage Corporation and The Canada Trust Company, principals in the purchase of the assets and business of the Guelph and Ontario Investment and Savings Society and The Guelph Trust Company.

N. M. PATERSON & COMPANY LTD.
Own and Operate
Terminal Elevators in Fort William
109 Country Elevators
Total Storage Capacity 12,000,000 bus.
31 Vessels on the Great Lakes
Total Carrying Capacity, 4,500,000 bus. per trip
Head Office: FORT WILLIAM, ONT.
609 Grain Exchange, Winnipeg

HALLET & CAREY LIMITED
GRAIN SHIPPERS AND EXPORTERS
GRAIN FUTURES
Owners and Operators
Fort William Terminal Elevator Co. Ltd.
and Powell Transports Ltd.
Head Office—563 Grain Exchange, Winnipeg, Man.
Branch Offices—Fort William, Ont., Montreal, Que.
— Vancouver, B.C.

FEDERAL GRAIN LIMITED
AND
THE ALBERTA PACIFIC GRAIN CO. (1943) LTD.
WINNIPEG - CALGARY
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Broulan Mill Capacity May Go 700 Tons As Porc. Reef-Bonetal Ore Flow Steps Up

By GORDON M. GRANT

Translation of important high grade ore news at Bonetal and Porcupine Reef Gold Mines into increased milling activity at the mill of Broulan Porcupine Mines is expected in months ahead. Not only is the average grade of ore treated likely to climb but actual tonnage is expected to grow well beyond the 575 tons currently being handled in the mill.

Mill feed at Broulan finds its present daily source approximately as follows:

Broulan mine—175 tons.
Porcupine Reef—250 tons.
Bonetal mine—160 tons.

No ore is at present being drawn from Hugh Pam Porcupine Mines where two ore bodies have been established but this property also figures in future plans. Lack of air capacity is holding up mining at Hugh Pam at the moment.

Broulan's mill has a present rated capacity of 600 tons so that mill feed from various sources is not yet taxing capacity. But the management is well aware that new ore disclosures at the three satellite properties will probably mean need for extra mill capacity before long. It is likely that capacity will be increased from 600 to 700 tons at slight cost by additions of "cones" at the mill discharge to catch high grade. This will allow coarse grinding and reduce agitation and settling time required.

There is also a possibility that the greater ease of treatment of ore from Bonetal and Porcupine Reef might permit actual treatment rate to go well beyond 700 tons in practice. But the management is following a "wait and see" policy on this and is making no advance predictions.

Porc. Reef to Step Up

It appears that Porcupine Reef will probably precede Bonetal as a source of increased production. The Porcupine Reef 500-ft. level is being driven as a main ore haulageway. Preparation of the rich new ore to the west for stoping should proceed fairly rapidly.

To the west of the dyke on the 350-ft. level, a total length of 492 ft. of ore has now been opened up averaging 0.57 oz. or $21.95 uncut on muck samples and 0.32 oz. or $12.32 cut grade over drift width of 8 ft. This is equal to 325 tons per vertical foot.

The higher grade section of this ore, located at the west end, has a length of 362 ft. which averages on face samples 1.13 oz. or $43.50 uncut and 0.39 oz. or $15.02 cut grade; mucks ran 0.53 oz. or $20.40 uncut and 0.34 oz. or $13.09 cut grade.

A raise so far carried to 140 ft. about midway in this length has averaged on chips 1.11 oz. or $42.-74 a ton uncut and 0.49 oz. or $18.87 cut grade. Mucks gave 0.37 oz. or $14.25 and 0.30 oz. or $11.55 cut grade.

If anything, cut grades are expected to be on the conservative side both here and elsewhere. The great "spread" between cut and uncut values is caused by the persistence of values running well beyond an ounce gold per ton which are automatically cut to an ounce under established mining practice.

A line drive is being put out at the Porcupine Reef 500-ft level and the ore zone will be outlined at this horizon by diamond drill holes before it is opened by drifting. The downward extension of the zone has been indicated by the high values intersected at the 500-ft level in two drill holes from the face of the drift, immediately to the west of the dyke, before starting the line drive.

September production tonnage was a little below normal. But recovery of $73,310 or $12.73 a ton, exclusive of cost-aid, permitted a good profit. Operating costs, inclusive of heavy development, are estimated at $45,000 per month.

The heading to the west at the 350-ft level has averaged better than an ounce across drift width for the last six rounds and is approximately 140 ft. from the Hugh Pam property into which the zone strikes. The zone dips south and Hugh Pam will likely get some of it at depth on dip as well as on strike. The Porcupine Reef west ore looks like a parallel occurrence to the ore already opened up at the Hugh Pam 650-ft. level from the Reef workings. This Hugh Pam ore comprises a length of 120 ft. averaging 0.21 oz. uncut over drift width of 7.9 ft. and a second section of 160 ft. averaging 0.32 oz. uncut and 0.18 oz. cut on chips and 0.23 oz. uncut and 0.13 oz. cut on mucks over drift width of 8.8 ft.

Bonetal Ore Runs Rich

Bonetal's new ore opened from the 970-ft. level of Porcupine Reef will make a tremendous difference to production when it is delivered in quantity to the Broulan Porcupine mill. Even though only a very small amount of the new ore is yet going to the mill, Bonetal is doing better than breaking even allowing for 970 level exploration costs.

In September, Bonetal milled 3,838 tons of ore with a value of $22,340 before addition of gold assistance. Operating costs are now running approximately $18,-000 per month including 970 level exploration.

The drift extended into Bonetal from the 970-ft. level of Porcupine Reef has opened up a total ore length of 316 ft. averaging on face chip samples 0.90 oz. or $34.-65 uncut and 0.27 oz. or $10.40 cut over drift width of 7½ ft. Mucks ran 0.49 oz. or $18.87 uncut and 0.365 oz. or $14.05 cut grade. This ore, which is equal to about 200 tons per vertical foot, is in two lengths as a fault offsets the ore by 30 ft. midway in this length.

$161 Values

The higher grade section east of the fault has a length of 165 ft. averaging on face chips 1.21 oz. or $46.59 uncut and 0.28 oz. or $10.78 cut grade over drift width of 7½ ft. Mucks ran 0.70 oz. or $26.95 uncut and 0.51 oz. or $19.64 cut grade. In this section practically all of the gold content is carried in a quartz vein which for the length of 165 ft. averages 4.2 oz. or $161.70 on face chip samples over an average width of 2.1 ft. In actual mining practice, only a width of about 5 ft. may be taken out with a very high grade of ore returned.

Expect Repetitions

Further drifting has been carried to 50 ft. beyond the east end of this high grade section and diamond drill holes will be put out to explore for a repetition of this ore and for parallel zones. Geological setting is such that a repetition of the fine ore section already established is suspected.

As preparations are made for mining the ore already opened in this section and high grade is delivered from this section, the management may dwindle somewhat tonnage derived from original workings. The management has no desire to permit the lower grade material to crowd out high grade at the mill.

Potentialities of the Bonetal ore zone may be very great. Only one drill hole—the one which picked up the ore past the fault—has so far been drilled in the west area. Then there is over 3,000 ft. of unexplored area to the east in the direction of Hallnor. Old surface drilling was done from north to south. Important ore sections may have been missed because, as experience on the Reef has shown, individual ore bodies dip to the south.

Broulan's Interest

Broulan Porcupine, which brought the Porcupine Reef, Bonetal and Hugh Pam properties along to their present stage, will share in the prosperity of each of these mines. Broulan owns 839,000 shares of Bonetal and has the right to recoup itself for any excess of Bonetal expenditures over revenue by purchase of shares at up to 250,000 shares at 15 cents and 250,000 shares at 20 cents. Bonetal stock was below the 15-cent mark when the latter agreement was made. Besides this, Broulan is entitled to 15% of Bonetal operating profits; Porcupine Reef has a 10% interest for use of its workings.

In Porcupine Reef, Broulan holds 1,498,000 shares. Under its Hugh Pam agreement, Broulan is entitled to 25% of Hugh-Pam operating profit while Porcupine Reef gets 20% for use of its workings. Broulan is reimbursed for its Hugh Pam expenditures at 10 cents a share for up to 750,000 shares and then at 20 cents a share for up to 250,000 shares.

Broulan Porcupine treats ore from its associates on a cost basis but is permitted a depreciation allowance of 50 cents a ton from each mine. This may provide a fairly substantial extra income as the associates gradually step up their mill tonnage.

DOMINION OF CANADA has drawn for redemption on Feb. 1, 1950, at $100 and interest all its First War Loan 3¼% bonds bearing the call letter "B". Under the terms of the issue, the bonds are callable by lot, 20% of the total being redeemed each year on Feb. 1 from 1948 to 1952. Each bond bears the serial call letter "A" "B" "C" "D" and "E" in red on the face, back and coupons of each bond. Bonds bearing the letter "E" and "A" were previously called and redeemed on Feb. 1, 1941 and Feb. 1, 1949, respectively.

Biroco Using Two Drill Rigs Tests Upper Canada Break

Two heavy diamond drills are now drilling in bedrock at the east Kirkland Lake property of Biroco Kirkland Mines to test the apparent westward extension of the new Upper Canada ore zone which the Biroco management believes crosses its ground.

First holes are being drilled south from or near rock outcrops on the most northerly claims to test the favorable zone. It was reported recently that at a location on the Upper Canada property about 2,000 ft. east of Biroco's northeast claim, a drill intersection in this zone ran several ounces over a width of 2.5 ft.

The Biroco property is located immediately west of the Queenston and Upper Canada properties and consists of 36 claims and four additional claims recently taken under option to provide added property protection. It has a length of about two miles on the assumed strike of the main Kirkland-Larder Lake break on which the Queenston mine is located. The secondary break, adjoining the Upper Canada ore bodies, strikes roughly east and west and its projection crosses the north part of the Biroco property.

As of Oct. 15, 1949, Biroco had net current assets of over $65,000 including $60,000 recently received for 300,000 treasury shares. An increase in authorized capital from three to four million shares is proposed at a special meeting of shareholders called for Oct. 27. Options are reported on 1,700,000 shares at 25 cents to $1 a share to provide a further $1,070,000 if fully exercised. A total of 2,077,-000 shares is outstanding at present.

President of Biroco is Bert W. Lang and vice-president is W. F. James, the consulting geologist.

Chesterville Sells Shares

Safeguards Big Program During Low Grade Ore Cycle

A block of 214,441 shares has been sold by Chesterville Mines for $245,000 with payment to be made forthwith, The Financial Rost is informed. Sale of the shares was decided upon to assure the financial stability of the company during the continuation of the present low-grade ore cycle and to permit completion of the big underground construction program now in progress.

Milling for the past six months at Chesterville Mines has been largely in a low-grade stoping area, and on the large-scale mining system in use it is not possible to control grade of mill feed during any given short period, the company reports. It is anticipated that normal grade may not be milled for another five or six months. Low-grade cycles which have been experienced in the past have not been of such long duration.

Immediately above the low-grade ore at present being mined at the 15th level there is approximately 250,000 tons of mine average grade which should be available for mill feed early in 1950.

To Cut Costs

Operating costs are expected to be reduced 25 to 30 cents a ton on completion of the construction program now in progress. The program includes an underground crushing and conveying system, the total installation cost of which will amount to $350,000. The work is scheduled for completion before March, 1950.

Drilling below the 17th level to the 20th has been inconclusive but has placed in sight sufficient ore to maintain ore in sight at 1,-300,000 tons grading 0.130 oz. gold per ton.

A drill hole grading 0.8 oz. over 5 ft. suggests ore possibilities to the east beyond present workings and beyond Kerr-Addison intervening ground.

In the nine months to Sept. 30, 1949, a total of 225,880 tons of ore was handled. Operating profit for the nine months, including cost-aid, amounted to $101,000 and operating costs for the period averaged $3.21 a ton. It is understood that results in the September quarter were considerably below those realized earlier.

New Marlon Plans To Boost Capital

An increase in authorized capital from 3.5 to 5 million shares is proposed by New Marlon Gold Mines to provide sufficient shares to consider placing the property in production again should a proposed development program be productive of results.

At the present time 221,745 shares remain unissued. Since the annual meeting an underwriting has been made on 250,-000 shares for $18,750 and an option granted on 95,000 shares for $9,500. Receipt of the firm commitment, half of which has already been paid, will give the company $20,000 for a new program of exploration. Options are proposed on a further 500,000 shares for $62,500, contingent on the increase in capital.

More than 80% of the property remained unexplored in previous work and exploration of untested areas is planned.

Hudson's Bay Store Seen For The Pas

From Our Own Correspondent

WINNIPEG—Reports that Hudson's Bay Co. are planning to build a store in The Pas to cost between $50,000 and $100,000 were partly confirmed at a council meeting last week when an offer of $1,500 from the company to purchase land for the site was accepted.

Revealed at the meeting was that the council previously suggested the company buy the property for $2,500 with the stipulation that building start within two years. Reported agreement now is that the company will have three years to start construction. Failing this the land is to revert to the town.

VIOLAMAC MINES shares were called for trading on the Toronto Stock Exchange Oct. 17. The company, through a subsidiary, has been engaging in the profitable production of silver-lead-zinc ore in British Columbia.

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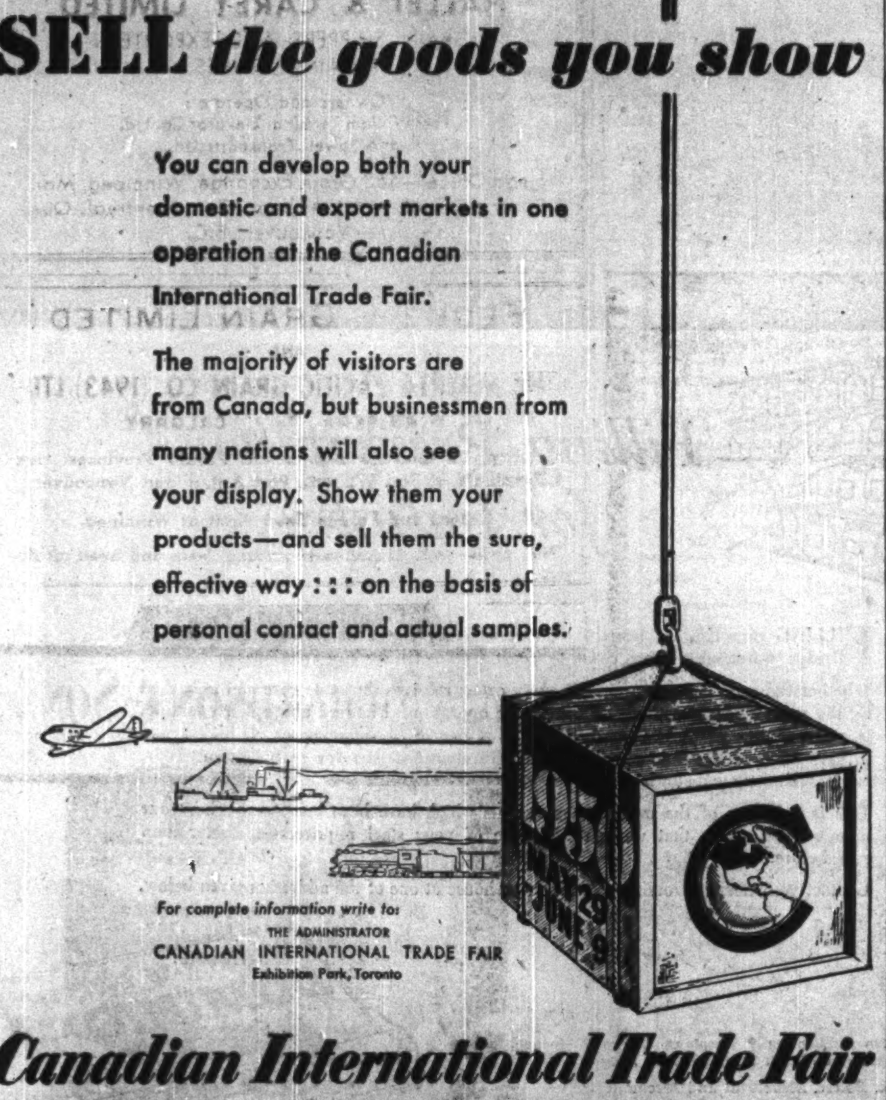

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Do You Know...

where the name "hockey" came from?

The word 'hockey' is derived from the 'hooked stick' with which the game is played, from the Old French word 'hoquet', meaning 'shepherd's crook'.

Do You Know . . . that the general idea of ice hockey is not original with Canada? Many 16th and 17th century Dutch paintings show a game something like hockey being played with a stick shaped like a golf club.

Do You Know . . . that there are sharp differences of opinion as to exactly when and where the first ice hockey games were played in Canada? Although Kingston, Halifax and Montreal are most often mentioned in this connection, available records seem to suggest that the first organized games were played around 1881, between the Victoria Hockey Club and McGill University teams, in Montreal, and in Kingston between the Royal Military College and Queens University.

Do You Know any interesting and unusual facts? Our "Advisory Panel" will pay $25 for any authenticated readers' submissions if they are usable. All letters become our property. Write Black Horse Brewery, Station L, Montreal, P.Q.

DAWES BLACK HORSE BREWERY

Two New Alberta Oil Discoveries Portend A Major Boost For Western Oil Reserves

A major expansion of Alberta oil reserves—recently estimated by Imperial Oil at 1,077,400,000 bbl.—is anticipated with the announcement of two important new oil discovery wells over the past week.

Both discovery wells were completions of Imperial Oil. One, Imperial Simmons No. 1 well, is located 3½ miles southeast of the previous limit of the great Redwater oil field. The second is in virgin territory 30 miles south of Peace River, 210 miles northwest of Edmonton.

No information is yet available to determine the size of the Peace River newly-indicated field, because no other well has been drilled within 30 miles of the Imperial Normandville No. 1 discovery.

But both Simmons and Normandville wells appear to have much more than average significance.

Redwater Reserves Jump

At least another 100 million bbl. of oil is expected to be added to the Redwater field by the Simmons well. Reserves had previously been estimated at 300 to 400 million bbl. It is possible that the Simmons well may increase Redwater reserves by anywhere from 25% to 50%. Water line was found at the same elevation as at Redwater. This is taken as fairly conclusive proof that the well establishes an extension to Redwater rather than the presence of an entirely new oil field.

Water was encountered at the unusual depth of 190 ft. below the crest of the D3 at this location. Even though the top 10 or 20 ft. of the D3 may be tight, a huge volume of oil is expected from the productive zone lying immediately below.

The North Saskatchewan river flows between the original section of the Redwater field and the Simmons extension so that some drilling will have to be done under the river. An interesting coincidence is that the Saskatchewan also flows between the Woodbend and Leduc proper sections of the big Leduc field.

The Imperial Normandville well, located in L.S.D. 1-16-79-22w5, is expected to give a great impetus to the northern search for "black gold" in Alberta. Placed on restricted flow for 7½ hours the well flowed 189 bbl. of crude from a 25-ft. section of the Devonian; the well thus shows a daily potential of a little over 600 bbl. a day on restricted flow. It is likely that open flow potential would be much greater than 600 bbl. Limited storage capacity prevented an open flow test.

Gravity of the oil is 39 deg. It is just about the same as Leduc crude in specific gravity and other characteristics. Gas-oil ratio is stated to be low. This is a favorable circumstance.

The well first drilled down to 7,424 ft., then went back to 6,730 ft. where casing was perforated with the formation acidized down to 6,745 ft. The well also got natural gas in the cretaceous formation plus oil and water in the Madison limestone.

The new discovery represents the climax of a three-year search for oil in the Peace River by Imperial Oil. Three other wildcats were drilled in all before success was attained.

While Imperial Oil may now complete reconnaissance drilling to determine the size of the Normandville pool, there are two reasons for thinking that the drilling of a large number of producing wells will hardly be proceeded with immediately. The area is as yet remote from regular marketing facilities. Any large-scale production would require pipeline connections. Drilling depths are about twice those in the Redwater field. Thus Imperial can step up productive potential at Redwater at half the cost of a comparable expansion at Normandville.

But Imperial will be able to scout Normandville resources with widely-spaced wells. Reserves established will no doubt be taken into consideration in Imperial's over-all production plans.

Federal Gov't Hopes For Oil Under Airport, Edmonton

From Our Own Correspondent

EDMONTON — The Canadian Government is intent on getting in on Alberta oil revenues.

This became apparent with an announcement by Senator James A. MacKinnon that the Federal Government has completed an agreement with Imperial Oil for an oil drilling program on acreage at the Namao airport, eight miles north of Edmonton.

The company was to commence work on its first test well by Oct. 15 and to complete exploratory work by May 31.

Senator MacKinnon said the agreement involves 3,840 acres of the airport on which the Federal Government owns the mineral rights. In the same area, Imperial Oil has 1,600 acres under lease from the provincial government.

As acting minister of mines and resources, Sen. MacKinnon said he had signed the agreement on Oct. 4, in Ottawa.

He said the tests will show whether there is another big oil pool in that area, with the possibility of another oil field between Edmonton and Redwater.

Under the agreement, the company undertakes that no well or installation will interfere with the airfield. Proposed location of wells will be subject to approval of the Department of National Defence.

"The agreement is on a royalty basis, which has been mutually agreed upon," said Sen. MacKinnon.

Alberta's government has already made millions from its oil revenues. The City of Edmonton has mineral rights on property for which drilling arrangements have been made. And now the Federal Government is ready to collect on behalf of Canadian taxpayers as a whole.

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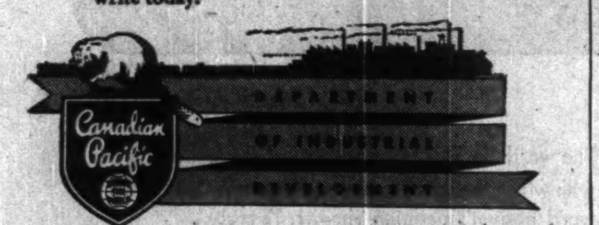

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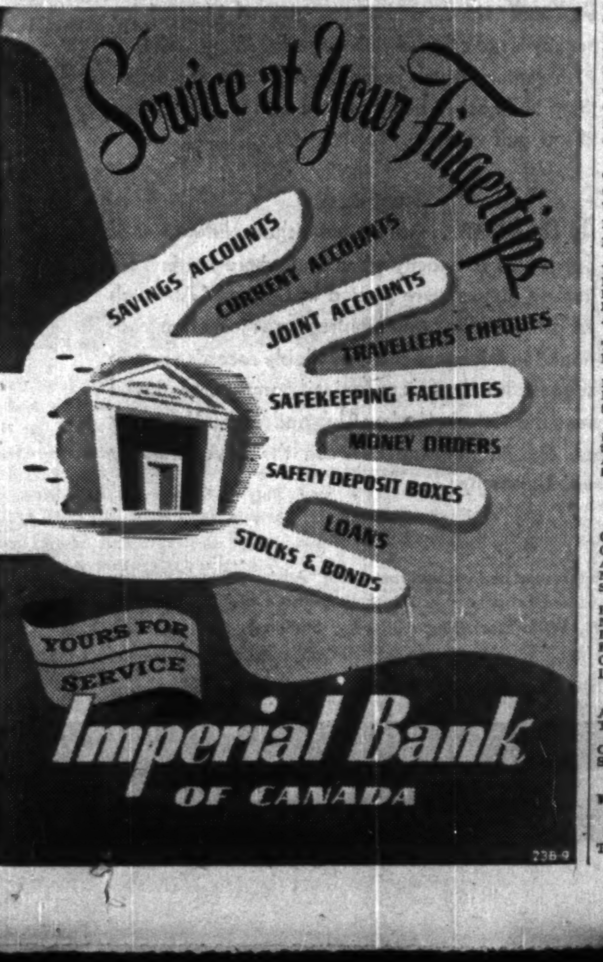

Firms Join in Oil Search Off East Vancouver Island

From Our Own Correspondent

VANCOUVER — The summer resort Gulf Islands which stretch along the east coast of Vancouver Island from Nanaimo to Victoria are to be the scene of the latest Pacific Coast search for oil.

Royalite Oil Co. and Pacific Petroleums have "teamed up" for a two-year survey of oil possibilities in the archipelago through which Canadian Pacific coast steamers slide on their Vancouver-Victoria jaunts.

Government spokesmen say rock formations in the Gulf group are similar to those of the far north Queen Charlottes where there are exposures of tar sands and where Royalite expects to have a drilling rig in place within a month for a 3,500-ft. examination. In 1913, wildcatters punched a hole down 1,605 ft. and got some oil and gas showings before abandonment.

The government disclosure said no drilling was expected for about two years.

Phillips Petroleum plans early drilling west of the Peace River country of B. C. There are now three capped gas wells in the Peace just west of the Alberta border, one company is drilling on Lulu Island, spasmodically, a few miles from Vancouver, and there is another company which hopes to drill in the Flathead country in the extreme southeast corner of the province.

Lower Oil Prices For Prairies In Two Years?

As crude oil moves out to more distant markets in the course of the next two years, reductions in prairie oil prices may be expected, W. Frank Prendergast, assistant to the president of Imperial Oil Ltd., told a Denver, Col., audience this week.

"It is estimated that at least $30 millions will be spent in the next two years to increase prairie refinery capacity to more than 80,000 barrels daily by end of 1951," he said. One new refinery has been established at Edmonton, another is projected for that area and expansions are in process or contemplation at other points such as Saskatoon, Moose Jaw and Regina in Saskatchewan and Brandon and Winnipeg in Manitoba.

More than $20 millions have been derived by the Province of Alberta from cash bonuses for oil leases. "There is no doubt that Crown reserves are potential sources of hundreds of millions of dollars of revenue—all in addition to royalties, licenses and other fees," Mr. Prendergast stated.

Porcupine Watborn May Sell to Porcupine Reef

A special meeting of shareholders of Porcupine Watborn Gold Mines has been called for Oct. 27, 1949, to approve sale of the company's properties in the Porcupine area to Porcupine Reef Gold Mines for 145,000 of that company's shares.

After payment of debts and winding up costs, these shares are expected to permit a distribution of one share of Porcupine Reef for each seven of 970,197 Porcupine Watborn shares outstanding. "If the offer is accepted by the shareholders, the logical course is to provide for the distribution of the company's assets and termination of its existence," President D. R. Michener declares.

Alta. Oil Wells Allowables Cut

From Our Own Correspondent

EDMONTON — Reduced allowables in the Leduc and Redwater fields announced by the Petroleum and Natural Gas Conservation Board, became effective Oct. 15. They still are above the present acceptances of the oil companies.

In the Leduc area, D2 well production may not exceed 100 bbl. daily, compared with 125 previously. At the same time, up to the end of January, 1950, as set out in the order, the daily average, counting all days, is 75 bbl., also a 25-barrel drop from the previous order.

In the D3 zone, the daily maximum is 140 bbl., compared with 175 previously. The monthly quota averages out to 115, compared with 150 before.

In the Lower Cretaceous zone, the daily maximum is 100 bbl., compared with a previous 125. The monthly quota daily average also drops 25 bbl. to its present 75 allowable.

Not included in the Lower Cretaceous figures are figures for Atlantic wells No. 1 and 2. Their maximum allowable is 105 bbl. daily and their monthly daily quota average 76.6.

Redwater maximum has been set at 350, compared with a varying scale before which worked out roughly to around 450 bbl. daily. The monthly quota average at Redwater is 325 bbl.

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OIL PRODUCTION

Cities Service & B. A. Oil Team Up For Alta. Quest

From Our Own Correspondent

CALGARY—Cities Service Oil Co. has joined British American Oil Co. in exploration of an 80,640-acre block of Alberta Government oil rights in northwest Alberta, about 35 miles east of Grande Prairie and the same distance southwest of Imperial Normandville No. 1, the Peace River Devonian discovery well.

Each of the companies has a 50% interest in the exploration reservation granted to Cities Service last week.

While the Grande Prairie reservation is the first announced "land play" of Cities Service, further announcements are expected shortly. Other deals will be on both 100% basis and sharing with others.

* * *

Royalite's 20th Well

Royalite Oil Co. has finished its 20th consecutive successful oil well in the Redwater area thus completing the development program on the 800 acres of Crown reservations purchased in this field.

Royalite Redwater 21-5 rates an initial potential of 1,896 bbl. following acidization with 5,000 gallons of acid.

Wildcat exploration for oil is now being expanded in the British Columbia field.

* * *

Take Up More Ground

The Barnsdall Oil Co.-Honolulu Oil Corp.-Seaboard Oil Corp. team has added a further 550,000 acres to the lands it is exploring in Alberta, raising the total under investigation to some three million acres. The active U. S. team has added another seismograph crew to its string working in Alberta, raising geophysical program to four seismic and one gravitymeter crews.

The latest seismic crew has started work on a new 99,840-acre Crown reservation northwest of Sylvan Lake and Red Deer, on the central plains. One seismic party is in southwest Alberta, in the Pincher Creek area. Two are in northern Alberta, one near the town of Slave Lake, the other near High Prairie. The gravitymeter crew is operating in the Stettler area.

The team, in association with The Los Nietos Co. of California, recently secured its first Alberta production with eight oil wells drilled on lands of Western Minerals Ltd.

* * *

Joseph Lake Well Misses

After three successes, the fourth well drilled in the Joseph Lake area proved to be too low on structure and secured water instead of oil. It won't be abandoned however, but will be used for salt water disposal.

Viking sand, the productive formation, was located at 3,249 ft. but this was 6 ft. below the water line.

Drill rig was to be shifted this week to the fifth well site. Backers of the drilling are Superior Oils, General Petroleums, Kroy Oils and Jupiter Oils. They are working under a farm-out agreement with Imperial Oil.

COMPANY REPORTS

WRIGHT-HARGREAVES MINES realized a net profit of $832,685 or 15.1 cents a share in the year ended Aug. 31, 1949, as against 16.1 cents a share in the preceding fiscal year.

Highlight of development work during the year was the opening up of 624 ft. of profitable ore over drift width in 1,911 ft. of drifting on three new deep levels at 6,600, 6,900 and 7,200-ft. levels. Structures have been found to be complicated but sufficient encouragement has been met with to warrant opening of intervening levels. A better idea of the character of ore deposition is expected when raises can be driven between levels.

Development footage was increased 11% during the year and daily ore tonnage rose from 495.7 to 538.8 tons. No estimates on ore reserves are given in the company's report.

INCOME ACCOUNT

Years Ended Aug. 31:	1949	1948
Bullion prod.	$3,021,910	$3,012,381
Less: Ooper. exps.	1,994,524	1,872,667
Net oper. earns.	1,027,386	1,139,714
Add: Other income	49,557	64,351
Cost-aid†	75,298	......
Total net earns.	1,152,241	1,204,065
Less: Depr.	54,556	54,267
Taxes reserve	265,000	266,000
Net profit	832,685	883,798
Less: Dividends	825,000	880,000
Surplus for year	7,685	3,798

†For 12 months ended Dec. 31, 1948. No provision has been made for cost-aid (estimated at $50,000), for 8 months ended Aug. 31, 1949.

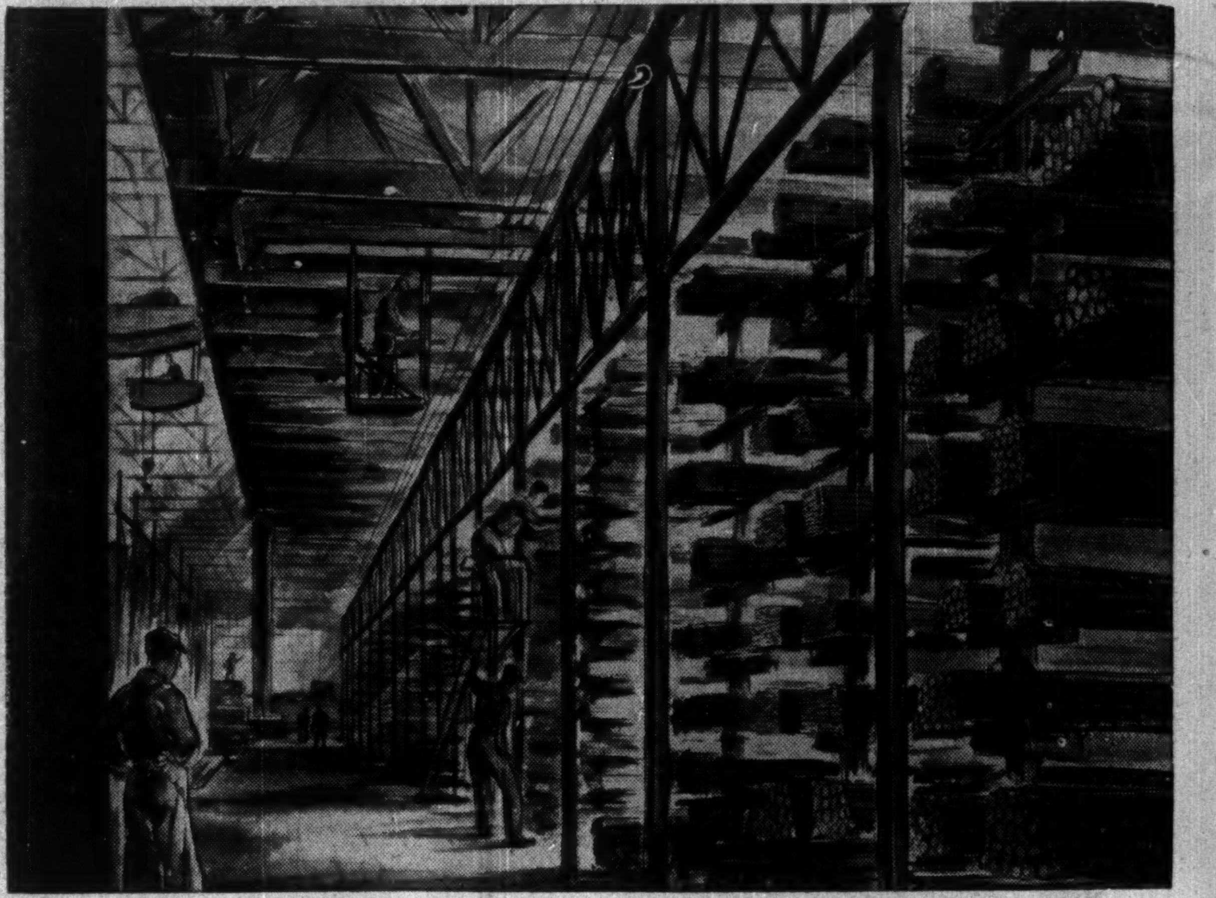
Earnings per Share	$0.151	$0.161
Paid	0.15	0.16

CONDENSED BALANCE SHEET

As at Aug. 31:	1949	1948
Cash & bullion	$1,690,759	$2,667,732
Govt. & mun. secs.	3,258,350	2,259,250
Accts., etc., rec.	22,760	18,246
Mat. & supplies	381,259	411,824
Solutions in mill	16,965	12,927
Total curr. assets	5,370,093	5,369,979
Prep. chgs.	38,185	30,238
Mining props.	1,000,000	1,000,000
Plant & equip.*	415,160	445,529
Expl. & prosp.	......	186,995
Cost of shaft ext.†	46,511	96,511
Int. in other cos. & properties	116,750	267,861
Total assets	6,986,699	7,397,113
Accts. & dvd. pay.	336,429	309,355
Taxes payable	143,411	153,854
Total curr. liabs.	479,840	463,209
Capital stock	2,205,000	2,205,000
Surplus	4,301,859	4,728,904
†After w/o	104,075	54,075
*After depr. of	3,238,257	3,183,701
Working capital	4,890,253	4,906,770

OPERATING STATISTICS

	1949	1948
Tons milled	196,650	181,439
Aver. recov.	$15.37	$16.60



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This is only one of the many improvements which have been made throughout our nine warehouses so that we can take care of your steel requirements faster than ever before.

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* *Other Divisions: Platework, Boiler, Structural and Mechanical*

WAREHOUSE DIVISION* DOMINION BRIDGE COMPANY LIMITED

Barnat's National Section North Zone Again Making Important Drilling News

Two further really good drill holes have been completed in the big 1,250-ft. level north ore zone of the National sector of Barnat Mines. They tend to confirm earlier views that this section is going to yield a very substantial tonnage of profitable grade ore.

The latest holes are all the more encouraging to the management because they come after some news which had been a little on the disappointing side. After the widely-publicized up hole at the 1,250-ft. level which returned a true width of 101 ft. averaging $9.45 a ton at $35 gold, the down hole at the same location gave only $2.80 a ton over 27.5 ft. This was surprising as the flat hole had shown 30.9 ft. averaging $15.89 a ton cut grade.

Holes to West Click

Now, however, work immediately to the west of this has been returning good ore news.

At a location 100 ft. to the west on the 1,250-ft. level, a down hole has returned $5.77 over 41.5 ft. An up hole from the same vertical section has also returned a good-looking core section for which assays aren't immediately available.

The flat hole from the same location gave $12.60 over 45.4 ft.

Moving 100 ft. farther west of this again, an extremely good intersection has been secured in the up hole, and a poor intersection in the down hole. This is at a location where the flat hole had returned only $4.20 over 4.0 ft., $6.30 over 9.1 ft. and $3.50 over 3.5 ft. Only $5.95 over 5 ft. was returned in the down hole at this location. But the up hole was one of the best holes yet secured — $13.65 over 41.5 ft.

A raise is now being put up from the 1,250-ft. level to get into the area where the drill hole returned $9.45 over 101 ft.; it is expected to get into ore in the next week or 10 days.

Plan to Deepen Shaft

Steps are being taken which will permit Barnat to take a look at its north ore picture at still greater depth. Tenders have been called for the sinking of the National Malartic shaft from its present bottom at 750 ft. depth to permit the opening up of at least one level below the 1,250-ft. horizon. It is expected the contract will be let shortly. Deepening of the National shaft, of course, will not interfere whatever with the present development program as existing work is being down from the north crosscuts from the Sladen workings.

It is understood that Sladen Malartic has agreed to take up to $250,000 of Barnat debentures beyond the amount originally agreed upon. This will provide any extra capital which may be needed.

On the 350-ft. level of the National north zone, the "East" ore body has been slashed out to a width of 17 ft. over a length of 130 ft. with 705 tons of sampling averaging 0.65 oz. gold. Drilling has been corroborative of westerly plunge for this ore. Grade is also understood to have been sustained in this drilling. One hole returned ore over 286 ft. down the apparent plunge.

Crosscutting is proceeding from the Sladen shaft at the 525-ft. level and has now only about 250 ft. to go to connect up with the National shaft and facilitate development activities at this horizon.

Treating Over 600 Tons

Over 600 tons of ore a day is being treated in the Sladen mill with no appreciable change in grade or costs since recently reported in The Financial Post. A little ore is now being drawn from the National Malartic south ore section and it is anticipated that by the end of the year, two-thirds of the mill feed will be taken from this section.

If grade works out at $5.50 a ton as expected for the National south section, an operating profit of about $1.75 a ton is indicated on present costs. Existing costs, of course, include all development expenses which are substantial in view of the large program of work being completed.

All indications are that the National north ore bodies will be productive of a higher grade of ore than the National south ore bodies. Thus as development continues, and stopes are prepared for the mining of the North National ore bodies now being outlined, a progressive uptrend in average recovery is anticipated. The number of ore bodies established in the north area, and their varying grade characteristics, suggest that the company should have a good control over average grade of ore treated after the elapse of another year or so.

NEW DICKENSON MINES LIMITED

The development program which this company is presently engaged in is meeting with excellent results. Mill recovery has also improved.

We have prepared a progress report outlining the present underground operations and describing the north C zone development.

A copy of this interesting report may be obtained by writing or phoning to this office.

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CALGARY CANADA

MINING CONCENTRATES

BULOLO GOLD DREDGING reports, during September, six dredges handled 1,194,200 yds. of gravel with a recovery of 6,410 oz. of fine gold. In August six dredges handled 1,119,000 yds. with recovery of 6,082 oz.

• • •

BUFFADISON GOLD MINES plans further surface drilling to test a favorable western part of its property. In its annual report for the year ended June 30, 1949, an increase in authorized capital from three to four million shares is proposed to permit further financing for this work. Subject to increase being secured, approval is sought for an underwriting on 100,000 shares at 15 cents a share with Garfield Trading Co. payable within 15 days of Oct. 24 and 150,000 additional shares at same price within three months. Options on a further 250,000 shares at 20 to 30 cents a share are proposed. At June 30, 1949, Buffadison had $4,544 current assets as against $1,958 current liabilities which were exclusive of $98,481 owing to Buffalo Canadian Gold Mines

• • •

CENTRAL PATRICIA GOLD MINES has shown lower production this year due to treatment of a slightly lower grade of ore. Production for the first nine months totaled $1,019,380 from 100,429 tons of ore as against $1,133,926 from 102,734 tons in the same period of 1948.

• • •

CANDEGO MINES has delivered a shipment of 210 tons of silver-lead-zinc concentrate to dock at Mont Louis, on the St. Lawrence, for shipment to England. Estimated content is 250,000 lb. lead, 11,000 oz. silver and 65,000 lb. zinc. Increased production of lead and zinc concentrates is planned, the company reports, with operations placed on a two-shift basis earlier this month.

• • •

CONSOLIDATED LEBEL ORO MINES has acquired the unexpired portion of a lease on approximately 40 acres given by Silver Dollar Mines in Coleman twp., Temiskaming district. Underground diamond drilling has started on 620-ft. level of the adjoining Beaver property and will be carried into the ground covered by the lease.

• • •

DONALDA MINES has received payment for Oct. 15 underwriting of 40,000 shares at 40c. a share under agreement with Stuyvesant-North Ltd. Issued capital is 3,170,000, leaving 830,000 in treasury.

• • •

DONALDA MINES reports September revenue of $61,776, including cost-aid from milling of 6,937 tons of ore. This compares with August income of $52,959 when 6,585 tons were milled.

• • •

HEVA GOLD MINES in its new surface drilling program will test a fine-grained basic dyke or plug lying to the east of all previous underground work. Possibilities of this section were indicated by surface drill hole No. 13E, the most easterly hole drilled to date, which contained some gold values over a length of 145 ft. Drilling will also be directed to further investigate the south zone where a series of seven drill holes returned three commercial intersections.

• • •

LUNWARD GOLD MINES shares were removed from trading on the Toronto Stock Exchange Oct. 17, being replaced by those of Newlund Mines, its successor on a one new for two old share exchange basis.

• • •

MINING CORP. OF CANADA has declared an interim dividend of 15c. a share payable Dec. 9, 1949, to shareholders of record Nov. 9. A dividend of a similar amount was paid June 30, 1949.

• • •

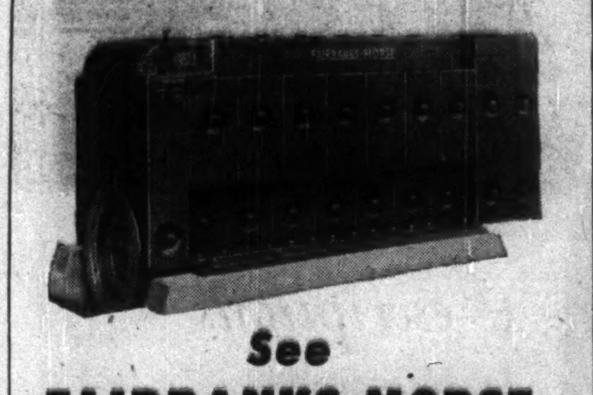
MURMAC LAKE ATHABASKA MINES reports a discovery of pitchblende at a new location close to the camp and highway on its property near Alona Bay, north of Sault Ste. Marie. Concentrations of oxidized uranium were disclosed in blasting along a length of 55 ft. and the zone is said to be persisting in the direction of a small lake and in the opposite direction to where it disappears into heavy overburden to the southeast. A crew is now engaged in opening up extensions. Deeper test pitting is to be carried out to get below the oxidized material. Previous work has been concentrated on a location a half mile distant.

• • •

PROGRESS DIVERSIFIED MINERALS has called a special meeting for Oct. 25 to consider a proposal to transfer the assets of the company to a new five million share company to be called Indigo Gold Mines. Stockholders would receive share for share in the new company but the shares in the new company would be escrowed. The escrowed shares would be released within one year or whenever the company has sold two million treasury shares, it is stated. President R. H. Storer says the present company can no longer continue operations due to shortage of funds.

• • •

PAYMASTER CONSOLIDATED reports production for the three months ended Sept. 30, 1949, of $327,890 as against $327,805 in the second quarter. This brings production for the first nine months to $984,674 as against $878,924 for the same 1948 period. The mill handled 133,795 tons of ore for the first nine months of 1949 against 120,267 tons last year. Average recovery was 10c. a ton less at $7.21 this year.



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ERIC M. SABISTON

vice-president and general manager, Perth Shoe Co., Perth, Ont., has been elected president of the Shoe Manufacturers' Association of Canada.

Howey Plans To Reorganize

Will Pay $1 Par For 10% of Present Stock; Issue 2 New For 5 Old

A special meeting of shareholders of Howey Gold Mines has been called for Nov. 14, 1949, to consider proposals to make a cash distribution and scale down the company's share capital.

In essence, the plan calls for a cash distribution equal to 10 cents a share on each present issued share and the issue of two shares in a new company, Consolidated Howey Gold Mines, for each five existing shares.

To accomplish this, the company proposes to:

(a) Cancel half the present five million shares issued;

(b) Redeem 500,000 shares (one of every 10 shares) at par value of $1 each;

(c) Issue two new shares for each five shares now held.

Thus the holder of 1,000 present shares will receive $100 cash, Canadian funds, as a return of capital, 400 shares of Consolidated Howey.

As of Oct. 14, the Howey portfolio was stated to have a market value of approximately 52 cents a share. After the distribution, the new stock will have capital assets of approximately $1 for each share, President R. T. Birks points out. The new company will also hold the Red Lake mining properties.

Normetal Gains In Sept. Quarter

An estimated profit of $313,200 equal to 8.3 cents a share was realized by Normetal Mining Corp. in three months ended Sept. 30, 1949, after allowance for depreciation and all taxes.

This represented an increase over the $232,000 or 6.2 cents a share of the immediately preceding quarter, but was below the record $452,000 profit reported for the first quarter of the current year.

Tonnage milled in the latest quarter was 66,895 tons against 81,717 tons in the second quarter and 67,670 tons for the first quarter of 1949.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CANADIAN POWER & PAPER INVESTMENTS LTD. net profit for the year ended July 31, 1949 was off narrowly at $544 ($1,093)—$33,000 debentures were purchased by the company during the year and cancelled. Interest on debentures for year was paid. There was insufficient earnings accumulated during the year to make payment on arrears of interest on the 5% 30-year debentures.

INCOME ACCOUNT

Years Ended July 31:	1949	1948
Net earnings	$85,845	$49,666
Less: Deb. interest	24,114	27,366
Invest. depr.	60,000	20,000
Income tax res.	1,177	1,207
Net profit & surplus	554	1,093
Times Deb. Interest Earned	3.56	1.81
Earnings* per Share & Dividend Record:		
Pref.: Earned	$0.011	$0.022
Com.: Earned▲	d2.65	d2.65

None paid on either class.
*Based on cash income only after all charges.
▲After $5. divd. on pref.

CONDENSED BALANCE SHEET

As at July 31:	1949	1948
Cash	$44,206	$25,386
Investments*	3,855,863	3,883,096
Misc. assets	1,312	1,201
Capital deficit	447,459	414,492
Less: Oper. surplus	127,046	119,000
Total assets	4,221,794	4,205,175
Total curr. liab	116,094	126,175
Funded debt	460,700	494,000
Invest. res.	195,000	135,000
Capital stock	3,450,000	3,450,000
*Approx. mkt. value	1,515,336	1,499,769

NEW JASON MINES reports that a diamond drill hole put out 36 ft. ahead of the porphyry vein drift on the fifth level has cut 1.95 oz. over 17 inches. The mill is handling 115 tons daily with mill heads averaging $21.94 a ton and with low tailings. An expanded program of development, including shaft sinking, has been undertaken, now that the mill is on an operating and profitable basis.

THOMPSON-LUNDMARK GOLD MINES is considering a limited program of diamond drilling to explore the northwest extension of its Fraser vein to a depth of 500 to 600 ft., company states in its annual report. This drilling can only be done through the ice, but if ore were indicated, a drive from the present working could probably tap it.

Elder Profits Highest Ever

New Ore Outlined Both Underground and By Surface Drilling

Elder Mines had the best month in its history in September with an operating profit of $27,844, President K. A. Roberts advises in a report to shareholders. This profit was considerably more than had been anticipated in a previous report of August 23.

Substantial new ore lengths have been opened up underground and surface diamond drilling has also extended the known area of ore deposition.

On the 1,000-ft. level, a total length of over 860 ft. of ore has now been opened up. The over-all average of "mucks" from this level is 0.18 oz. gold per ton, considerably better than has been encountered on the upper levels.

Actual mining widths on this level vary from 6 ft. to 20 ft. with 9 ft. being a conservative average, it is stated. Development is continuing favorably to the west in a strong vein structure, adding further length.

On the 1,200-ft. level the vein has been opened up for a length of over 350 ft. and both development faces are continuing in ore. A crosscut is also being driven southward to open up the parallel No. 3 vein on this horizon.

Diamond drilling in new territory to the west has extended ore values on what appears to be No. 1 vein, hole No. 148 intersecting the vein at about the 1,200-ft. level with intersections of 0.21 oz. across 5 ft. and 0.22 oz. over 5.8 ft. Further surface drilling is being continued in an effort to further extend ore reserves.

NEW JASON MINES has received payment for 44,500 shares at 45c. a share, comprising Oct. 8 underwriting together with $105 to apply on Nov. 8 installment under agreement with H. R. Bain. Issued capital is 3,266,569 shares, leaving 233,431 in treasury.

CONSOLIDATED ASTORIA MINES reports that Sept. 9 installment of 75,000 shares at 10c. a share and each subsequent installment under agreement with Stuyvesant-North Ltd., have been extended for three months.

Discovery Getting Money For Mill

According to newly formulated plans, Discovery Yellowknife Mines will reach production this coming January with final funds required supplied through borrowing.

The company proposes to borrow approximately $65,000 for one year at 5% interest in order to enable it to reach production in January and will issue to the lender 1½ shares of treasury stock at the maximum discount of 98% for each dollar borrowed.

Mill Near Completion

Installation of the 100-125 ton mill is stated to be nearing completion and several heavy units have already been turned over by the Diesel-electric power plant. Additional crew accommodation will be completed this month.

Ore reserves to the 375-ft. level total 84,000 tons average 0.65 oz. per ton. Included is 47,000 for the high-grade north zone averaging 0.86 oz. Limited development work suggests substantial additions to the present known ore may be secured laterally and at depth.

Since Discovery is a new mine, it is estimated that a cost-aid of $128,000 can be secured in 1950 by initiating production next January.

CHEMICAL RESEARCH CORP. in a report to shareholders declares that in "the opinion of your officers and directors marked progress has been made during the current year in bringing closer the date of trial of the action against American Locomotive Co. for the recovery of damages to the extent of $36,285,000."

American Locomotive Co. has endeavored to secure arbitration of the controversy under two sections of the U. S. Arbitration Act and under common law principles. The Locomotive appeal for arbitration under Section 3 of the U. S. Arbitration Act was denied and the Locomotive company was also unsuccessful in bringing up the arbitration question under the avenue of common law principles.

Locomotive's petition for arbitration under Section 4 of the U. S. Arbitration Act is now awaiting the decision of one of the other U. S. district judges of the U. S. district court at Detroit, President T. W. MacDowell points out.

Balance sheet as at Dec. 31, 1948, shows $714 cash and $7,200,000 investment in the Gyro Process Co. Liabilities totaled $111,823 including $66,765 liability to D. C. Pennington, trustee. A total of 800,000 shares was outstanding.

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The Canadian Family owes much to... Ireland

MUCH OF THE STRENGTH and vitality of Canadian life and the rich quality of its democracy stems from the blending of racial and cultural heritages from many lands. Few countries draw more strength from more nations than does Canada.

Canadians are justifiably proud that so many races, without sacrificing their national characteristics, have united themselves into one great citizenship—the Canadian Family.

Probably no race has produced more emigrants than the Irish. A century ago, the Irish formed half the population of Canada and today, in every town and village from Newfoundland to Vancouver Island, one can find a son of the Emerald Isle. The Irish brogue echoes through all of Canada's history.

Blessed with the "gift of the gab", their industry and ambition, coupled with an imaginative humour, are qualities which have won friends and enabled them to contribute much to Canada's progress.

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Calvert, Secretary of State to King James I, and head of the famous Calvert family, founded one of Canada's first colonies in Newfoundland in 1622. Calvert and his descendants fostered the principles of religious tolerance and democratic freedom and thus helped sow the fertile seed of democracy in the New World.

LONDON CALLING—*By Adelphi*

Muggy Weather, Bitter Political Climate Don't Help Temper of British People

LONDON—The weather is like that of a late muggy summer and everyone is asking irritably when there is going to be some rain or sleet or chill blast of some kind.

There are sinister reports that the Gulf Stream is shifting its position and that Britain may inherit a climate like that of Spain or Portugal. A taxi driver told me that it had something to do with the atomic bomb. At any rate no one so far has blamed the Government, which is remarkable.

Overcoats remain unsold in the shops. Furs are unsaleable, and the waistcoat is still a rarity. In fact the British are in a bad temper about the whole thing.

* * *

It has been an exciting week. On Tuesday there was a report that Lord Woolton, the Chairman of the Conservative Party, had whispered to someone that the election would take place on Nov. 21. Someone else told the Express and the Mail who blazoned it on their front pages the next morning.

Just why the Conservatives should know the date was not quite clear, for there had been no word from the Government. However, it caused great excitement.

* * *

There was some reason to believe the report, because the Left Wing weekly Tribune which is in close touch with the rising Aneurin Bevan had demanded an immediate election. Then Bevan followed it up with a public prophecy that the election was practically on us.

It may be that Bevan is a future Socialist Prime Minister, but Messrs. Attlee, Bevin and Morrison are not yet ready to abdicate. So they met together and discussed the matter for a long session. Probably the temptation to snub both Woolton and Bevan was too much. At any rate they issued a statement that there would be no election until next year.

No doubt there was a third reason that helped them to make up their minds. The Tory Party has been holding its annual conference this week in London and it was to end with a terrific speech by Churchill. Had the election date of Nov. 21, been correct, it would have given a great importance to Churchill's oration. So, perhaps, the Big Three thought they would ditch the Old Warrior as well as Bevan and Woolton, to say nothing of the Mail and the Express.

* * *

Conservatives Are Glad When Beaverbrook Sails

To the infinite relief of the Tories, Lord Beaverbrook sailed for Canada last week. Most of the party would be glad if he decided to stay among you for the rest of his days.

On Monday of this week, the Canadian-born peer came out with a political manifesto calling for Empire Free Trade, no truck with Europe, close friendship but no union with the United States, an Empire citizenship, and an Empire minimum wage of £6 a week, the ending of the hereditary principle in the House of Lords, and a demand that none of the Baldwin-Chamberlain ex-Cabinet ministers should be given office again if the Tories were returned to power.

It caused a real sensation and it looked as if the Liberals might seize on it as a plank to save them from drowning. But they could not accept the Chinese Wall around the Empire.

Churchill rebuffed the Beaver, whereupon the Daily Express bludgeoned Churchill. It was all very lively and gave people something to think about. Finally the Beaver gave a dinner to 70 journalists who once worked for him but had transferred to other newspapers. It was an hilarious affair with plenty of wit and plenty of refreshment. They say that dawn was breaking when the party finished.

* * *

Three Men Over 70 Dominate the News

Which makes one wonder what all this 70 years span of life really means. The week in London has been dominated by three old men. There was the first night of a new play by the 93-year-old Bernard Shaw, a terrific speech by the 74-year-old Churchill — and the bombshell from the 70-year-old Beaverbrook.

The decree of the Psalmist will have to be revised, if this goes on.

* * *

There was a spectacular first night when Vivien Leigh starred in the Broadway success "A Streetcar Named Desire." It was produced by her husband, Sir Laurence Olivier, and in some ways was better than in New York. The critics disagreed in their verdicts but obviously it is a smash hit.

There is some perturbation about the announcement that Lord Mountbatten will become Fourth Sea Lord next year. The Navy believes that the top posts should be filled by men who were never seduced, even by the call of duty, away from the Senior Service.

Mountbatten's term as Viceroy of India may have been politically useful—and indeed it was—but it broke the sequence of continuous naval service. Churchill always intended that Mountbatten should become First Sea Lord as an atonement for the mob hysteria in 1914 which drove his father, Prince Louis of Battenberg, from that post. It may be that Attlee has the same chivalrous intention. This does not please the salt horses however (a designation for sea-going admirals.) I predict a row when the appointment comes due.

* * *

What All This Means To London Stock Market

The Stock Exchange has had a perturbed week. When the splash news about the supposed November election appeared there was a rush to buy industrials, in the belief that they would do better under a Conservative Government. Simultaneously there was a rumour that the Bank rate was to be raised, a step which would further reduce the price of Dalton's "Guilt Edged" 2½ per cents which were already languishing at a 25% discount.

Then came the news that the election was off, so there was a sharp selling of industrials. This was followed by a rumour that the Bank rate was not to be raised, so the flagging Guilt Edges staged a recovery. It was all good for the brokers but disturbing for the investors.

* * *

Broadly speaking, there is widespread resentment against the Government for failing to hold the election now. It means another six months of wrangle and jangle which will add to the disunity which has now become a running sore. Britain will not present a pretty prospect to the world this winter.

However, the British Ballet has just demonstrated to New York that it is the best Ballet in the world. Odd people—these British.

Business Paper Editors to Visit United Kingdom

Representatives of five leading Canadian business paper groups have been invited to Britain for a three-week tour of British industries. The party will arrive in London at the week end and will spend one week in London for talks with ministers and officials before going on a tour of the factories of leading export firms in England and Scotland.

The party will comprise:

R. C. Rowe, president of the Periodical Press Association of Canada, and president, National Business Publications Ltd., Gardenvale, Quebec; Floyd S. Chalmers, vice-president, Maclean-Hunter Publishing Co. Ltd., Toronto, representing The Financial Post; R. Eric Crawford, editor of Canadian Machinery, representing Maclean-Hunter industrial publications; A. D. Maclean, President, Hugh C. Maclean Publications Ltd., Toronto; S. C. Willson, Monetary Times Printing Co. of Canada Ltd., Toronto; P. M. Richards, Consolidated Press Ltd., Toronto.

Purpose of the visit, arranged by the U. K. Board of Trade and the Ministry of Supply, is to make better known to Canada the goods available for export from Britain.

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TORONTO CANADA

Can Germany Re-establish Trade Balance to Canada?

For four years, from 1941 to 1945, tall, blond, typically Nordic Luftwaffe observer Werner Gautier, (following a dunking in the English Channel) sat out the war in a prisoner-of-war camp in the Canadian Rockies. There, from his guards, he learned a lot about Canada, its people and their way of living.

Today, Gautier is back in Canada, drumming up trade for the new West German republic as an official of its Economic Administration. He brings with him a group of eight German businessmen from the combined western zones of Germany and for a month they're taking a look at the potential Canadian market for German textiles, machinery, musical instruments, glassware, surgical instruments and scrap iron.

Their aim, like that of all the other nations involved in the ECA program, is to achieve by 1952 a balancing of accounts with the dollar countries.

Their problem, Gautier told The Post, is akin to that of Britain's. The new Western Germany finds itself in the position of a highly industrialized economy, producing within its own borders only about 50% of the raw materials and foodstuffs it needs.

In this situation, the Germans are presently importing from Canada at the rate of $5 for every one dollar's worth of merchandise they sell here, though, says Gautier, the end of 1949 should see the ratio down to 2-1.

Pre-war trade between Canada and Germany balanced out at around $20 millions a year each way. Figures for the first six months of 1949 show Canada selling to Germany a yearly rate of around $40 millions with Germany selling here at around $8 millions.

Principal items in this trade from Canada to Germany are: aluminum; canned meats; wheat flour; paper; linseed and flaxseed oils; hides and skins; crude rubber; whisky.

Gautier foresees that this trade can be expanded under the Western German Government's own trade policies which are now being shaped against the day occupation organizations are disbanded.

Industrial recovery, he told The Post, is proceeding rapidly and industrial output is estimated now to have reached 90% of 1936 levels.

Chief difficulty facing expansion of industry is financing and credits. Little capital for such expansion is available within Germany and it's hoped to attract such capital from outside. The Reichsmark, he points out, was down to 6½% of its prewar value at the end of the war wiping out many fortunes.

Pricewise, the Germans consider that goods they are offering Canada may be presently at a competitive disadvantage but they claim that price levels are on the way down now that the new Deutschmark has been devalued to the prewar Reichsmark level of 23.8c U. S. (from 30 c.) following sterling devaluation.

But even if prices are right, says Gautier, the German businessman still has a long way to go to catch up on current North American merchandising practices.

"We may have the goods you want—but it's all too plain to see that we have a real selling job to do."

While in Canada the German trade delegation is having talks with officials and members of the Canadian Importers and Traders Association, the Canadian Exporters Association and other trade associations as well as with individual Canadian businessmen with whom they aim to re-establish prewar trade relationships. Presently in Toronto, they leave this week end for Winnipeg, Vancouver and the western oilfields.

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